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**TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA**

January 14, 2009 – 1:30 P.M..

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

Gavin Newsom, Mayor

DIRECTORS

Owen Stephens, *President*
Fred Blackwell
Jared Blumenfeld
Helen Nigg

Supervisor Chris Daly (*Ex-Officio*)
John Elberling, *C.F.O., Secretary*
John Rahaim
Douglas Shoemaker

Mirian Saez, Director of Island Operations
Peter Holm, Commission Secretary

ORDER OF BUSINESS

**GOVERNMENT
DOCUMENTS DEPT**

JAN 12 2009

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1. Call to Order and Roll Call
2. Report by Director of Island Operations (*Discussion Item*)
Length of Item: 5 minutes
3. Report by Office of Economic & Workforce Development (*Discussion Item*)
Length of Item: 10 minutes
4. Communications (*Discussion Item*)
Length of Item: 5 minutes
5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)
Length of Item: 5 minutes
6. Ongoing Business by Directors (*Discussion Item*)
Length of Item: 5 Minutes
7. General Public Comment (*Discussion Item*) ***In addition to General Public, Public Comment will be held during each item on the agenda.***
Length of Item: 10 minutes

8. **CONSENT AGENDA**

Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

- a. Approving the Minutes of the November 12, 2008 Special Meeting (*Action Item*)
- b. Authorizing the Director of Island Operations to Execute an Extension of the Loan Agreement with the Fine Arts Museum of San Francisco for the Temporary Loan of the Miguel Covarrubias Mural "The Flora and Fauna of the Pacific" (*Action Item*)
- c. Resolution Authorizing the Twentieth Amendment to the Event Venues Master Lease Number N6247498RP00Q03 between the Authority and the Navy to include the lot surrounding Bldg 449 in the Leased (*Action Item*)
- d. Resolution Retroactively Approving and Authorizing the Execution of a First Amendment to Sublease No. 20 with SFGG Rugby Foundation, Inc., a California non-profit corporation for Parcel A: approximately 3,728 square feet of Building 34; Parcel B: approximately 97,000 square feet of land bounded by Avenue H, 3rd Street, Avenue I and California Avenue; Parcel C: approximately 1,300 square feet of land located south of Building 34; and Parcel D: approximately 16,500 square feet of paved land located on the west and north sides of Building 34, Treasure Island (*Action Item*)
- e. Resolution Authorizing the Thirty Second Amendment to the Land and Structures Master Lease Number N6247499RP42P12 between the Authority and the Navy to include Buildings 29, 157, 215, 225, 261A, 264, 292, 401 and the lot surrounding Building 450 in the Leased Premises (*Action Item*)
- f. Resolution Authorizing the Twenty Fourth Amendment to the South Waterfront Master Lease Number N6247498RP00P99 between the Authority and the Navy to include Buildings 355, 385, 454, 501 and the portion of Avenue I between 3rd Street and California Avenue in the Leased Premises (*Action Item*)
- g. Resolution Retroactively Approving the Sixth Amendment to the Exclusive Negotiating Agreement with Treasure Island Enterprises, LLC, to extend the time for exclusive negotiations for the redevelopment of the Treasure Island Marina (*Action Item*)
- h. Resolution Retroactively Approving a Third Addendum to the Term Sheet for the Disposition and Development Agreement and Ground Lease between the Treasure

Island Development Authority and Treasure Island Enterprises, LLC, for the redevelopment of the Treasure Island Marina (*Action Item*)

- i. Resolution Retroactively Approving and Authorizing the Execution of a First Amendment with Island Creative Management, LLC, a limited liability company for Parcel A: approximately 138,661 square feet of shed space located at Building 2; and Parcel B: approximately ten thousand (10,000) square feet of nonexclusive use of land located on the east side of Building 2, Treasure Island (*Action Item*)
 - j. Resolution Authorizing the Director of Island Operations to Execute a Use Permit with Hartmann Studios, Inc. for Production of the Oracle OpenWorld Appreciation Event in 2009 (*Action Item*)
 - k. Resolution Authorizing the Director of Island Operations to Execute a Use Permit with Hartmann Studios, Inc. for Production of the Oracle OpenWorld Appreciation Event in 2010 (*Action Item*)
9. Resolution Approving and Authorizing the Execution of a Memorandum of Understanding with the San Francisco Public Utilities Commission for Payment of Unpaid Utility Amounts (*Action Item*)
Presented by Marc McDonald, Treasure Island Development Authority
Length of Presentation: 10 Minutes
10. Resolution Approving an Amended and Restated Grant Agreement among the Municipal Transportation Agency, the San Francisco Bay Area Water Transit Authority and the Treasure Island Development Authority Regarding the Expenditure and Administration of Grant Funds for the Treasure Island Ferry Terminal Project (*Action Item*)
Presented by Presented by Jack Sylvan, Office of Economic & Workforce Development
Length of Time: 10 Minutes
11. Presentation on Sea Level Rise, Perimeter Protection, Interior Drainage & Grading, and Geotechnical Design Approach. (*Discussion Item*)
Presented by Treasure Island Community Development
Length of Time: 30 Minutes
12. Discussion of Future Agenda Items by Directors
13. POSSIBLE CLOSED SESSION
If approved by the TIDA Board, this Closed Session item will take place for approximately 30 minutes at the end of the meeting
- a. Public Comment on all items relating to closed session
 - b. Vote on whether to hold closed session to confer with real property negotiators. (*Action item*)
 - c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Persons negotiating for the Authority: Jack Sylvan, Michael Tymoff

Persons negotiating with the Authority: United States Navy, Treasure Island Community Development LLC,

Property: Former Naval Station Treasure Island

Under Negotiation:

Price: _____ Terms of payment: _____ Both: ☒

d. Reconvene in open session (*Action item*)

i. Possible report on action taken in closed session under Agenda Item 12 (Government Code section 54957.1 (a) (1) and San Francisco Administrative Code Section 67.12)

ii. Vote to elect whether to disclose any or all discussions held in closed session (*San Francisco Administrative Code Section 67.12*).

14 Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2nd Floor, 410 Ave. of Palms, San Francisco, CA 941130 during normal office hours.

Disability Access

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The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and

report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

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(Chapter 67 of the San Francisco Administrative Code)

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Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the SOTF or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/>

HAPPY NEW YEAR
2009!



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CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

Press Release

For Immediate Release
November 25, 2008

Contact: BreAnda Northcutt
Lindsay VanLaningham
916-324-9670

Governor Names Recipients of State's Top Environmental Leadership Awards

SACRAMENTO – Tonight, 21 organizations will receive California's highest and most prestigious environmental honor – the Governor's Environmental and Economic Leadership Awards – for their notable, voluntary contributions to conserving California's precious resources, protecting and enhancing our environment, and building public-private partnerships.

"I'm proud to honor this year's award recipients for their sustained commitment, innovative solutions and strategic investment to protect our environment and boost our economy," said Governor Schwarzenegger. "Tonight's honorees have shown extraordinary leadership in modeling environmental stewardship with long-term goals in mind. California's long history of environmental leadership is due in large part to the companies and organizations that demonstrate a strong commitment to preserving our natural resources."

Honorees will accept awards at a ceremony in the Byron Sher Auditorium at the California Environmental Protection Agency headquarters building in Sacramento. The event begins at 6:00 p.m. on Tuesday, Nov. 25, and is open to the press.

"We just returned from the Governors' Global Climate Summit where international leaders discussed what can be done in various sectors, so I'm pleased that we have so many people on a local level in a variety of fields showcasing their sustainable initiatives. These are true leaders in today's world of balancing our most precious resources and our growing economy," said Linda Adams, Secretary for Environmental Protection.

The Governor's Environmental and Economic Leadership Awards program was established in 1993. Recipients are selected by a large panel of evaluators and the Secretaries of Cal/EPA, the Resources Agency, Business, Transportation and Housing Agency, the Department of Food and Agriculture, the State and Consumer Services Agency, and the Governor's Office.

For more information about GEELA, see the attached sheet or visit the Cal/EPA Web site: <http://www.calepa.ca.gov/Awards/GEELA/>.

** Winner Summary Attached **

#



Climate Change

Innovative and forward thinking approaches that reduce greenhouse gas emissions and mitigate the adverse effects of climate change on public health and our vast natural resources

- **Orange County: University of California, Irvine's Sustainable Transportation Program** engages the campus community in efforts to improve and expand green transportation options, increase awareness of environmental impacts, and encourage greater participation in sustainable transportation programs.
- **Yolo County: Dixon Ridge Farms' Energy Self Sufficiency Plan** is to eliminate all types of energy use by 2012, while also being carbon and nitrous-oxide negative by using non-food sources for energy. A working model of innovation, the farm pioneered Biologically Integrated Orchard Systems to reduce pesticide and fertilizer usage in walnut production, re-circulate irrigation water runoff and embrace alternative sources of energy.
- **Marin County: Marin Sanitary Services'** has pioneered state-of-the-art recycling methods, technologies, and programs resulting in a 75% recycling rate -- higher than another county in the state and leading the nation. They also recycled more than 547 tons of waste water per day -- saving the equivalent of 2 million trees and 900 million gallons of water.

Children's Environmental Education

Unique and exemplary educational programs and curricula that align with California's academic content standards and raise children's awareness of, and involvement in, environmental issues

- **Alameda County: Golden Gate Audubon Society's Eco Programs** offers year-round environmental education to elementary school students in and out of the classroom. Begun in 1999, the programs serve over 10,000 students and community members in the Bay Area. The programs provide much needed environmental education, inspire environmental stewardship, engage local residents in protecting wildlife and habitats, and improves student achievement in science, math and literacy.
- **Contra Costa County: Water District's Water Education Program** is a comprehensive water-related program for students in grades 2-12 that targets students in over 100 service-area schools with a wide-ranging water-related environmental science program. The elements of the Water Education Program are designed to complement and build upon each other while supporting core curriculum and content standards.
- **Orange County: Department of Education's Inside the Outdoors program** provides more than 125,000 students in Orange, Riverside, Los Angeles and San Bernardino Counties with hands-on environmental education through one of Inside the Outdoors' three California academic programs. Inside the Outdoors provides free professional development training for K-5th grade teachers and also has a public program.

Ecosystem and Watershed Stewardship

Innovative and sustainable approaches to land and water management that restore or protect natural conditions, functions and processes, and provide economic, social and environmental benefits

- **San Mateo County: Pharmaceutical Disposal Program** in partnership with the San Mateo County Police and Sheriffs Association offers the public a convenient, viable, and environmentally friendly alternative to flushing medicines into the wastewater stream or placing them in municipal landfills. The program places disposal receptacles in law enforcement agencies for proper disposal and to help avoid their unintended use, prevent recreational use, and to stop environmental contamination.
- **Contra Costa County: Bringing Back the Natives Garden Tour** was created to educate Alameda and Contra Costa County residents about native plants and their contribution to water conservation, the natural habitat, and the reduction of pesticide use.

Sustainable Practices or Facilities

Pioneering efforts to integrate environmental values and conservation of natural resources into long-term decision making and management of businesses and facilities

- **San Francisco County: Ferry Building** is a unique and exemplary project because of its resourceful conservation efforts, public food marketplace, green initiatives, and environmentally friendly commuter benefits. It's most measurable project, among many, is an aggressive recycling and waste management program, which results in a 64% diversion rate for its more than 50 offices and shops, 800 employees, and 10,000-20,000 shoppers per day.
- **Sonoma County: Kunde Family Estates** uses sustainable, organic and biodynamic farming practices to demonstrate its commitment to our environment including producing the best quality wine and grapes possible, protecting the environment, conserving natural resources, maintaining long-term viability of agricultural lands, and supporting the economic and social well-being of farm and winery employees.
- **Alameda County: Juvenile Justice Center** is a model health, wellness and youth development center and is the first LEED (Leadership in Energy and Environmental Design) gold-rated green building of its kind in the country. The building's exceptional levels of efficiency include a water-efficient irrigation technology; waterless urinals and water-efficient plumbing fixtures; an 850 kW rooftop solar panel to provide over 60% of the building's energy demands; contracts to purchase 100% of the building energy needs from wind generation; and, recycling 93% of construction waste.
- **Marin County: Fireman's Fund Insurance Company** offers specialized coverage for green buildings to spur sustainable development in California and the nation. The first green insurance product offered owners a 5% discount in their insurance premiums if their building was certified green. They expanded their green coverage to policyholders who upgraded to green during reconstruction and included extra costs to recycle construction debris.
- **Statewide: Bank of America** has a legacy of environmental leadership dating back 2 decades when it created its \$20 billion, 10-year environmental initiative to encourage the development of environmental friendly sustainable business practices through lending, investing, philanthropy and the creation of new products and services. Some of their efforts include investments in renewable energy and forests projects. They have installed energy efficient lighting and HVAC systems in their retail banks, cut paper usage by 40% and set aggressive greenhouse gas emission reduction goals. They also offer services such as a green rewards card that enables reward points to be invested in renewable energy projects and offers a \$3,000 credit to employees who purchase hybrid cars.

Environmental and Economic Partnerships

Efforts that foster unique, cooperative approaches between the private, public, and/or nonprofit sectors to achieve demonstrable results in both environmental and economic improvement

- **Fresno County: Valley Clean Air Now's Tune in and Tune up program** is a clean-up program designed to help reduce pollutants generated by out-of-tune vehicles in San Joaquin Valley. Vehicles are tested in minutes with a tailpipe emission testing device and, if identified as high polluters, owners are provided a \$500 voucher in emission-related repairs or maintenance at a local automotive shop. The program assists low-income communities with vehicle maintenance to empower residents to obtain repairs for high-polluting vehicles. A typical Tune In and Tune Up event removes approximately 3,000 tons of carbon monoxide, 300 tons of hydrocarbons, and 150 tons of oxides of nitrogen from the air in one year.
- **Alameda County: GRID Alternatives' Solar Affordable Housing Program** has been bringing energy efficiency to low-income neighborhoods since 2001. The program brings together economic and environmental sustainability by helping low-income homeowners install solar electric systems on their own homes. Each solar system install results in an average savings of \$10,000 in avoided energy costs over a system's lifetime.
- **San Luis Obispo County: Cayucos Land Conservancy** is an all-volunteer land trust which partners with the California State Parks and other organizations. The Conservancy works cooperatively and creatively with land owners to conserve land. It's a small non-profit funded by citizen donations and project grants and run by a local board. To date, Cayucos Land Conservancy has permanently protected over 1,250 acres and several threatened miles of scenic California coastline, open space and habitat.

Comprehensive Land Use Planning

Demonstrates social equity and adequate housing; cost effective infrastructure and transportation; water and energy efficiencies; and open space conservation to protect forests, agriculture, watersheds, and other ecosystem values

- **Sonoma County: Codding Enterprises' Sonoma Mountain Village** is being designed as one of the most advanced sustainable communities in the world. The 200-acre community of 1,900 homes is being created as a deeply sustainable, mixed-use village that will utilize the deepest green technology as well as the latest new urbanism and smart growth planning tools. Through use of existing and the creation of new conservation measures, the community is being designed to beat California's current energy code by at least 50%, have energy needs met with on-site renewable power, and reduce solid waste to reach a goal of 98% reduction.

Technological and Market Innovation

Innovation in manufacturing or product marketing to cost effectively improve environmental and public health, productivity and sustainability of forests, farms, or other natural resource lands, and conservation of open space and agriculture

- **Yolo County: Marrone Organic Innovations' GreenMatch® EX** is an effective, cost-efficient nonselective herbicide with no safety or environmental issues and is designed to replace weed control techniques that are environmentally damaging and can pose health risks. The product is an organic herbicide based on lemongrass oil shown to provide broad-spectrum weed control for four weeks. It also meets the requirements of the National Organic Program rule for use in organic crop production.
- **Orange County: Rent a Green Box** is the first comprehensive, zero waste, packing and moving system in America. It converts trash into sustainable packing and moving products. Its Recopack boxes can be used over 400 times before wearing out, when they are reground into

other Recopacks. The company uses pallets made from over 700 recycled diapers, Recocubes, made from recycled newspaper sludge and Expandos made from 100% recycled food and cereal boxes. Each Recopack is projected to save over 12 trees in its lifetime. Every 100 rented Recopacks removes more than 500 plastic bottles from landfills, prevents more than 350 pounds of packing and moving waste from entering landfills, and saves more than 500 gallons of fuel and 300 gallons of water consumed in the making, transporting, and distribution of cardboard. The company delivers each order in their green fleet of delivery trucks which are powered by biofuel and waste vegetable oil and reduce emissions by 78%.

Sustainable Communities

Exemplary project design or development of local communities and landscapes that makes efficient use of land, protects public health and safety, and conserves local watersheds, habitats, and other sensitive lands

- **San Francisco County: The Treasure Island Development Authority** oversees the redevelopment of San Francisco's Treasure Island. The Treasure Island Redevelopment Project consists of 450 acres on Treasure and Yerba Buena Islands. Highlights of the project include clustered development around a comprehensive transit hub which will allow two-thirds of the land to be preserved for parks and open space; green infrastructure initiatives to enable the development plan to achieve gold certification under the LEED (Leadership in Energy and Environmental Design) Neighborhood Development Program; generation of solar and wind energy; affordable housing; the creation of over 5,000 temporary construction jobs and 2,500 permanent jobs; and the creation of comprehensive economic development opportunities.

Enhanced Environmental and Economic Leadership

Prior award recipients who have sustained exceptional leadership and can demonstrate significant and robust improvements in voluntary efforts recognized in previous years which conserve California's precious resources, protect and enhance our environment and/or strengthen the economy

- **Mendocino County: Fetzer Vineyards** continues to be a pioneer in the implementation of sustainable practices for production and marketing of grapes and wine. The company was the first winery in California to be completely sustainable. Building on its successes, Fetzer has developed significant environmental initiatives including the use of a renewable energy system that is currently the largest in the wine industry, the mitigation of carbon emissions and climate change, improved energy efficiency innovations, organic wine grape and wine production, resource conservation, waste reduction, and earth-friendly bottle use.

Treasure Island Development Authority Treasure Island Redevelopment Project

The Treasure Island Development Authority oversees the redevelopment of San Francisco's Treasure Island.

The primary objective of the Treasure Island Redevelopment Plan is the "creation of the most sustainable large development project in United States history." It will provide a model of how communities can grow sustainably and prosper. The Treasure Island Redevelopment Project

consists of 450 acres on Treasure and Yerba Buena Islands, and is a joint effort between the Treasure Island Development Authority and Treasure Island Community Development, LLC, the competitively selected private master development partner. Highlights of the project include clustered development around a transit hub which will allow two-thirds of the land to be preserved for parks and open space; green infrastructure initiatives to enable the development plan to achieve gold certification under the LEED (Leadership in Energy and Environmental Design) Neighborhood Development Program; partnerships with local energy providers to allow the island to generate solar and wind energy; the creation of a intermodal



The Treasure Island Redevelopment Plan will serve as a model of a successful sustainable community.

transit hub for bus and ferry services to complement a transportation program which prioritizes walking and biking and includes innovative transportation demand management programs such as resident transit passes, parking policies, and congestion management pricing; affordable housing and housing for the homeless; the creation of over 5,000 temporary construction jobs and 2,500 permanent jobs . The redevelopment of Treasure Island represents a model of sustainability, environmental conservation, and the opportunity to contribute to California's economy.

“... unique and innovative approach
to development.”

Gavin Newsom
Mayor, San Francisco

CITY & COUNTY OF SAN FRANCISCO



GAVIN NEWSOM, MAYOR

MIRIAN SAEZ

DIRECTOR OF ISLAND OPERATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY

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MEMORANDUM

TO: MIRIAN SAEZ, DIRECTOR OF ISLAND OPERATIONS
FROM: FRISHTAH AFIFI, PROJECT ADMINISTRATOR
SUBJECT: TREASURE ISLAND PLAYGROUND UPDATE
DATE: 1/9/2009

In preparation for the upcoming Treasure Island Development Authority Meeting on Wednesday January 14, 2009, please find an update on the status of the playground project.

BACKGROUND

On November 11, 2005, the Treasure Island Development Authority (TIDA) Board approved Resolution #05-041-11/09, directing TI Project Staff and the Mayor's Office of Neighborhood Services to engage in a community outreach process for the purpose of establishing priorities for expenditure of the one time Developer Fund to benefit the Treasure Island community. After conducting several community outreach workshops and surveys seeking input from the Island residents, one of the projects selected was the construction of a playground on the Island. The approved FY 2007-08 Budget authorizes the expenditure of \$289,000 for a playground under the Community Benefit expense line item. In September 2007, the playground concept and design was presented to the Treasure Island Community Meeting and Housing Partners Meeting for input. The TIDA Board reviewed the layout and design of the project at the November 14, 2007 meeting. A location was determined at Gateview Avenue based on the following requirements: proximity to the housing area, wind condition, visibility, and ADA-accessibility. Staff anticipated the completion date of December 31, 2007 for this location.

UPDATE

The time line for the project was delayed because the Gateview Avenue location is within the Navy's environmental remediation area known as Site 12. In order to complete the project, 3,500 cubic yards of soil had to be imported for site preparation work. In addition, the imported soil had to be tested to meet the Navy's requirements on testing. Project Staff conducted a massive search for soil from local construction sites but was not able to secure certified soil that met the Navy's required standards. Further, the construction sites - which were the source of the soil - could not keep the soil in its original condition within the time frame required by the lab to conduct the testing and produce the results. Project Staff went through two rounds of extensive testing, neither of which had a positive outcome because by the two weeks time that the results of the test came in, the soil was no longer available in the original condition at the excavation site.

Meanwhile, the playground equipment was purchased from Ross Recreation and delivered in February of 2008. The equipment has been sitting in a storage container on site at the original location of Gateview Avenue through out this delay. The items were ordered in December 2007 as a cost saving measure to secure 2007 prices from the vendor. At that time, Project Staff and the playground Architect from the John Stewart Company had not anticipated the delay of the soil.

Staff is looking for a viable alternative to the playground challenge and will report back to the Board when a solution is reached.



TREASURE ISLAND DEVELOPMENT AUTHORITY

DRAFT PARKING PROGRAM RULES AND GUIDELINES

February 1, 2009

Administrative Statement

In an effort to protect property, enhance public safety, prevent illegal parking and eliminate abandoned vehicles and in conformity with recent amendments to the San Francisco Transportation Code the Treasure Island Development Authority (TIDA) will support enforcement of Parking Rules, effective February 1, 2009.

Treasure and Yerba Buena Islands are considered subject to the Traffic and Vehicle Code of the City and County. Therefore, procedures described at California Vehicle Code Section 22658 will be applied to enforcement of the Treasure Island Parking Program Rules and Guidelines. These Rules and Guidelines are consistent with the terms and conditions described in the leases with residents.

PARKING PROGRAM RULES AND GUIDELINES

- Vehicles of residents and commercial tenants parked on Treasure Island (TI) and Yerba Buena Island (YBI) must display a valid Parking Identification Decal.
- The Parking Identification Decal will be issued either by your property manager or by the Treasure Island Development Authority.
- The John Stewart Company (JSCO) will issue Parking Identification Decal(s) to Treasure Island Villages tenants. The Treasure Island Homeless Development Initiative (TIHDI) will issue Parking Identification Decal(s) to its member organizations for distribution to TIHDI residents.
- Parking Identification Decal(s) for use by our commercial subtenants and service providers will be issued by the TIDA office.
- Any vehicle parked on Treasure Island without the Parking Identification Decal is subject to tow.
- Residential Visitor Parking without Visitor Parking Passes is allowed only in designated visitor spaces for up to 72 hours. Visitor Parking Passes for up to 30 days may be issued by the John Stewart Company, TIHDI member organizations or the Treasure Island Development Authority.

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- Residential Visitor Parking spaces affecting TIHDI units will be monitored by the appropriate housing service provider based on program House Rules.
- Vehicles without a Visitor Parking Pass that are parked in Visitor spaces are subject to citation and tow.
- Parking in or blocking designated Disabled spaces is strictly prohibited.
- Parking of recreational vehicles such as jet skis, boats, trailers, recreational vehicles and mobile homes are not permitted on Treasure or Yerba Buena Islands. Those wishing to store these types of vehicles should contact the Treasure Island Development Authority office at (415) 274-0660 for a permit to park in designated areas in Building 216.
- Parking areas will be monitored on a regular basis. A Warning Notice may be posted on vehicles illegally parked. Vehicles that are not moved after being warned will be towed.
- All vehicles parked on the Island must be operable. The vehicles must not lack engines, transmissions, wheels, tires, doors, windshields, or any other major part or equipment necessary to operate safely on the roadways. All vehicles must have a valid license plate and current registration.
- Parking in driveways and carports are permitted if vehicle does not block sidewalks prohibiting pedestrians from path of travel.
- Large commercial vehicles such as moving trucks, mini buses and large vans weighing more than 6,000 pounds are prohibited in the residential parking areas with the exception of during move-ins and move-outs.
- All vehicles must be parked in compliance with posted signage.
- Vehicles parked next to a red curb, in a fire-lane or in front of fire hydrants will be towed immediately.
- Parking in a space that has been assigned to another residential unit is prohibited.
- Parking on lawns or landscaped areas is prohibited.
- Performance of mechanical work on vehicles is prohibited.
- Vehicle washing is prohibited on Treasure Island and Yerba Buena Island.
- TIDA is not responsible for any fire, theft, damage or loss to vehicles or items left in vehicles while parked on TI and YBI.
- TIDA may amend these Policies and Guidelines at any time at its sole and absolute discretion.

CITY & COUNTY OF SAN FRANCISCO



MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY

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SAN FRANCISCO, CA 94130
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WWW.SFGOV.ORG/TREASUREISLAND

To: Treasure Island Development Authority Board of Directors
From: Mirian Saez, Director of Island Operations
Date: January 9, 2009
Re: Use Permit and Film Permit Waivers and Reductions

The following reductions and waivers were granted for short-term Use Permits and Film Permits with terms between November 11, 2008 and January 9, 2009:

Reductions:

- December 1-7, 2008, January 2, 2009 – Indigo Films Entertainment Group – Yerba Buena Island Q-240 and miscellaneous outdoor locations.

Waivers:

- December 19, 2009 – CC Myers Construction – Yerba Buena Island Quarters 1

Treasure Island Development Authority
Subleases and Permits Executed
Pursuant To Leasing Policy
January 14, 2009

Location / Facility	Agreement Number	Leasehold Status (new / expired)	Company Name / Prospective Subtenant	Commencement Date	Leasehold Type	Sq. Ft.	Monthly Rent	Comments
Building 34	93	New	Yerba Buena Builders Jim Pantera 415-861-4269	11/1/08	Storage	7,536	\$2,260.80	Executed
Building 670	107	New	NATIONAL JAPANESE AMERICAN HISTORICAL SOCIETY	1/1/09	Storage	1,219	\$550.00	Executed
Building 1, Suite 238	111	New	Astro Enterprises	1/1/2009	Office Space	150	\$150.00	Executed
Building 201	112	New	Astro Enterprises	1/1/2009	Storage Space	1108	\$277.00	Executed
4 th st. and Ave. M	P-119	New	CC Myers	1/9/09	storage	70,000	\$10,500	Executed
Building 180 parking lot, Building 180 North	P-109	Use Permit	City and County of San Francisco General Services Agency	1/26/09 – 1/30/09	Civil Service Exam Testing	n/a	Permit Fee waived	Executed
Yerba Buena Island Quarters 1	P-108	Use Permit	CC Myers Construction	12/19/08	Business Meeting	n/a	Permit Fee Waived	Executed
Outdoor locations	F-014 and 013	Film Permit	Indigo Films Entertainment Group	12/1/08 – 12/7/08, 1/2/09	Television Series Production	n/a	\$4,750	Executed
Building 180 parking lot	F-012	Film Permit	Beyond Productions	11/21/08	Television Series Production	n/a	\$1,500	Executed



DENNIS J. HERRERA
City Attorney

JON GIVNER
Deputy City Attorney

DIRECT DIAL: (415) 554-4694
E-MAIL: jon.givner@sfgov.org

MEMORANDUM

TO: CITY DEPARTMENT HEADS
FROM: JON GIVNER *JG*
Deputy City Attorney
DATE: November 17, 2008
RE: Reporting Gifts to City Departments

Summary

The California Fair Political Practices Commission ("FPPC") recently adopted a new regulation governing gifts to City agencies and departments. The new regulation imposes additional reporting requirements and requires City agencies and departments to use a designated form to disclose those gifts. This memorandum summarizes the relevant rules regarding accepting and reporting gifts by City departments, including the new FPPC regulation.

Description of Relevant Laws

A. Authority to Accept Gifts

Each department may accept gifts of cash or goods "for the benefit of the designated department . . . and for such purposes within its prescribed legal jurisdiction as may be specified by the donors." (Admin. Code § 10.100-305(a).) Generally, the Board of Supervisors ("Board") must approve, by resolution, any gift with a value greater than \$10,000 before a City agency or department accepts such a gift. (*Id.* § 10.100-305(b).)

In some instances, the City has established a fund for a department to accept and expend gifts, without setting limits on the value of the gift. In those cases, the department's acceptance of a gift with a value over \$10,000 does not require further Board approval. (*See, e.g.*, S.F. Charter § 5.100 [authorizing certain arts museums and organizations to accept "loans, gifts, devises, bequests or agreements donating works of art or other assets" without Board approval].)

B. Reporting Requirements for All Gifts to Departments

Whenever a City department accepts a gift from a third party, the following three rules apply:

1. *The department must promptly report all gifts to the Controller.*

After accepting a gift, the department must "promptly report[]" the gift to the Controller. (Admin. Code § 10.100-305(a).) To report the gift, the department should contact its fund accountant in the Controller's Office.

2. *The department must report annually to the Board of Supervisors all gifts received that year.*

Each department, board and commission must report annually to the Board regarding the nature and disposition of gifts received during the previous year. (*Id.*) Departments must submit these reports in the first two weeks in July. (*Id.*) A sample template for reporting to the Board is attached to this memorandum.

Memorandum

TO: CITY DEPARTMENT HEADS
DATE: November 17, 2008
PAGE: 2
RE: Reporting Gifts to City Departments

3. *The department must report gifts worth more than \$100 on the department's website.*

Whenever a department receives a gift worth more than \$100 for the purpose of carrying out or assisting any City function, the department must report the gift in a public record and on the department's website. (*Id.* § 67.29-6.) The public disclosure must include:

- The name of the donor(s) and amount of the gift. (*Id.*)
- "[A] statement as to any financial interest the contributor has involving the City." (*Id.*) A financial interest includes a contract, grant, lease, license, permit or other entitlement for use.

When a department receives the gift from an entity, the department also must obtain a written statement in which the entity agrees to make these disclosures. (*Id.*)

C. Gifts to Agencies that Benefit Particular Employees or Officers

When a City agency or department receives a gift – such as a payment for travel or meals – that will benefit particular employees or officers rather than the department as a whole, state and local law impose additional restrictions. Such a gift may be considered a gift to the City and not to individual employees or officers only if all of the following criteria are met:

- The department uses the gift for official department purposes. (2 C.C.R. § 18944.2(c)(2).)
- The department controls the use of the gift and independently decides which officers or employees will use it. (*Id.* § 18944.2(c)(1).) Importantly, the City official, or the official's designee, who decides who will receive the benefit of the gift may not select himself or herself as the recipient. (*Id.*)
- The gift is not a payment for travel for the District Attorney, the Mayor, the City Attorney, the Treasurer, members of the Board of Supervisors, Planning Commissioners, or City officials who manage public investments. (*Id.* § 18944.2(d); Cal. Gov't Code § 87200.)
- In certain circumstances, the gift is not a ticket or pass to an event, show or performance. (2 C.C.R. § 18944.1.) When offered a gift of tickets or passes, the department should contact the City Attorney's Office to determine whether it may accept the gift.

When a payment that benefits one or more individual employees or officers meets these criteria, the City must report the gift on FPPC Form 801. The form requires that the department report the following information:

- a description of the gift, the date received, the intended purpose and the value of the gift;
- the name and address of the donor, and, if the donor is not an individual, a description of the business activity or nature and interests of the donor;
- if the donor has raised money from any other persons to pay for the gift, the names and amounts given by these persons; and

Memorandum

TO: CITY DEPARTMENT HEADS
DATE: November 17, 2008
PAGE: 3
RE: Reporting Gifts to City Departments

- the department's use of the gift and the name and title of the person using the gift. If the gift pays for an individual's travel, the report must include the dates and places of travel and a breakdown of the total expenses.

(*Id.* § 18944.2(c)(3).) A copy of FPPC Form 801 is attached to this memorandum and is available on the FPPC's web site at <http://www.fppc.ca.gov/forms/801.pdf>. Within 30 days of receipt or use of the gift, the department must post the form or its contents on the department's website and file the form with the department's filing officer who accepts Statements of Economic Interests from department employees. (*Id.* § 18944.2(c)(3)(D), (F).)

If the gift does not qualify as a gift to the City under the criteria described above, the employee or officer must abide by the limits, prohibitions, and reporting requirements that normally apply to an individual's acceptance of gifts. Those rules are further described in the City Attorney's Good Government Guide.

Additional Information

For more information about gift rules, see Part II, Sec. IV of the Good Government Guide at: [http://www.sfgov.org/site/uploadedfiles/cityattorney/GGG_2007-08\(1\).PDF](http://www.sfgov.org/site/uploadedfiles/cityattorney/GGG_2007-08(1).PDF). If you have questions, please contact the City Attorney's Office.

DEPARTMENT
GIFTS TO THE CITY AND COUNTY OF SAN FRANCISCO
REPORT TO THE BOARD OF SUPERVISORS
FISCAL YEAR 2008-09

The Department received the following gifts during the fiscal year:

[illegible]

Gift to Agency Report Instructions

A Public Document

California
Form **801**

This form is for use by all state and local government agencies to disclose payments made to the agency when the payments provide a personal benefit to an official of the agency. Examples may include travel, meals or other benefits. Under certain circumstances, these payments will not result in a gift to the official, but will be considered a gift to the agency. The payments must be used for official agency business and must meet other requirements that are set out in FPPC Regulation 18944.2, which is available on the FPPC website www.fppc.ca.gov.

When to File

This form must be filed within 30 days of the use of the payment. Reports may be faxed, mailed, personally delivered or e-mailed.

Where to File

State Agencies: File this form with the Fair Political Practices Commission ("FPPC"), 428 J Street, Suite 620, Sacramento, CA 95814. Fax: 916-322-0886
E-mail: Form801@fppc.ca.gov

Local Agencies: File this form with the official that maintains the agency's statements of economic interests (Form 700).

Website Posting: Each agency that maintains a website must also post the form or the information contained on the form on its website within 30 days of the use of the payment. Local agencies that do not maintain a website must forward the form to the FPPC for posting on its website.

Part 1. Agency Identification

List the agency's name and address and the name of an agency contact. Mark the amendment box if changing any information on a previously filed form and include the date of the original filing.

Part 2. Donor Information

Disclose the name and address of the donor. If the donor is not an individual, identify the business activity or nature and interests of the entity.

If the donor received payments from other sources that were used in connection with the activity, disclose the name and payment information for each source.

Part 3. Payment Information

Report the date and amount of each payment. For travel payments, also disclose the location(s), and a breakdown of the expenses. Provide a specific description of the use of the payment and the intended purpose. List each agency official for whom the payment was used.

Example: A business entity paid for an agency employee to travel to attend an informational seminar on solar energy projects in Washington D.C. The description should read: "Travel to attend an EPA co-sponsored solar energy seminar held in Washington, D.C."

Part 4. Verification

The agency head or his or her designee must sign the form.

General Information

Gifts to agencies must meet the following requirements:

- The agency head or designee must determine and control the agency's use of the payment.
- The payment must be used for official agency business.
- The donor may identify a purpose for the gift but may not designate by name, title, class or otherwise, an official who may use the payment.
- The agency official who determines who will use the payment may not select himself or herself.

Travel payments must also meet these requirements:

- A payment for travel may not be used by a state or local elected officer or by the state, county, and city officials who hold positions listed in Government Code Section 87200.
- A payment for travel may not exceed the agency's own reimbursement rates for travel, or the State per diem or IRS reimbursement rates if the agency has no policy.
- The agency head or designee must preapprove travel paid for by a third party before travel commences.

Travel payments made by a federal government agency in connection with education, training, or other inter-agency programs are not reportable.

For further information on filing this report or for general information, contact the FPPC.

Gift to Agency Report

A Public Document

GIFT TO AGENCY REPORT

1. Agency Name

Date Stamp

California
Form 801
For Official Use Only

Division, Department, or Region (if applicable)

Street Address

Area Code/Phone Number

E-mail

Agency Contact (name and title)

☐ Amendment (explain in comment section)

Date of Original Filing: _____
(month, day, year)

2. Donor Name and Address

☐ Individual

Last Name

First Name

☐ Other

Name

Address

City

State

Zip Code

If "Other" is marked, describe the entity's business activity (if business) or its nature and interests.

If applicable, identify the name of each source and the amount(s) solicited or received by the donor for this gift:

_____	\$ _____	_____	\$ _____
Name	Amount	Name	Amount

3. Payment Information

Date and Amount of Payment (other than travel) _____ \$ _____
(month, day, year) (Round to whole dollars)

Travel Payment Information (Round to whole dollars) Location of Travel _____

_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Date(s) or Travel	Transportation Expenses	Lodging Expenses	Meal Expenses	Other Expenses	Total Expenses

Provide a specific description of the nature and use of the payment for official agency business:

Identify the officials for whom the payment was used:

_____	_____	_____	_____
Last Name	First Name	Title	Department/Division
_____	_____	_____	_____
Last Name	First Name	Title	Department/Division

4. Verification

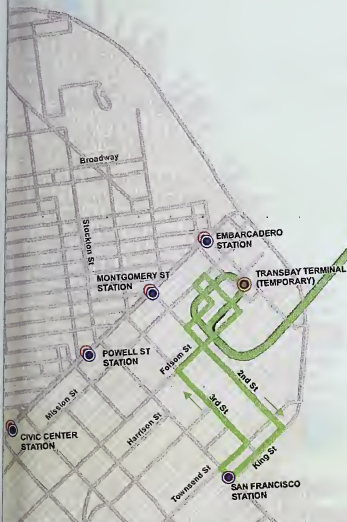
I have determined that it is in the interests of the agency to accept this gift and use it for the official agency business described above.

_____	_____	_____	_____
Signature of Agency Head or Designee	Print Name	Title	(month, day, year)

Comment: (Use this space or an attachment for any additional information.)

Summary of Staff Recommendations for 108-Treasure Island:

- Route would be simplified on Treasure Island, running on California, Avenue H, Gateview, Avenue B, 9th St.
- Frequency of service would be unchanged (recently improved in AM peak)
- All day service provided to Transbay Terminal; service extended to 4th / King from 2 pm to 10 pm
- Proposed frequency – 10 min AM peak; 15 min PM peak; 20 min midday & evening



Line 108 - Treasure Island Recommended Route Alignment

Only the showcased route and related miles are shown in color. The rest of the recommended network is shown in gray.

- Legend**
- Recommended Route
 - Recommended Bus and Rail Network
 - Segment Proposed for Elimination

- Route Type**
- Rapid
 - Local
 - Community
 - Specialized Services

- Muni Metro Stations
- BART Stations
- Caltrain Stations



SFMTA Municipal Transportation Agency

Map Updated
July 2008



0 0.25 0.5 Miles





POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103-1603

EATHER J. FONG
CHIEF OF POLICE

December 1, 2008



Ms. Mirian Saez
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
SF., CA 94130

SENT VIA FACSIMILE TO (415) 274-0299

Reference: Treasure Island Crime Statistics – November 2008

Dear Ms. Saez:

There were twenty-six incident reports filed with the San Francisco Police Department about occurrences on Treasure Island and Yerba Buena Island during the month of November 2008. Please see Attachment A for specific information.

Please Contact me at (415) 553-9154 or at Daniel.McDonagh@sfgov.org if you have any questions.

Sincerely,

Daniel McDonagh
Captain – Southern Station

By:

Officer Louis Glaser
Southern Station
(415) 553-7959

LOC. DATE	REP. DATE	ATTACHMENT A LOCATION	TYPE	COMMENTS	CASE NUMBER
10/31-11/3/08	11/3/08	800 blk AV D	Malicious Mischief	Suspect Unknown	81175080
11/4-11/7/08	11/5/08	1100 blk Hutchins Ct.	Threatening phone calls	Suspect Known	081185152
11/5/08	11/5/08	300 blk nimitz Dr.	Burglary, residence	Suspect Unknown	081186049
11/7-11/8/08	11/8/08	800 blk AV H	Burglary, other bldg	Suspect Unknown	0811955026
11/9/08	11/10/08	1200 blk Bayside dr.	Threats	Suspect Unknown	081205017
11/11/08	11/11/08	11th St. @ Av H	Recovered vehicle		0810608940
11/12/08	11/12/08	1200 blk Gateview Gl.	Burglary, residence	Suspect Unknown	081212608
11/13/08	11/13/08	Address Withheld	Aided Case	1 detained	081217147
11/13/08	11/13/08	1200 blk Exposition Dr	Suspicious Occurrence		081214513
11/16/08	11/16/08	1200 blk Exposition Dr	Theft, from locked vehicle	Suspect Unknown	081226342
11/15-11/7	11/17/08	Av H @ 11th St.	Burglary, Non-residential	Suspect Unknown	0812230863
11/8/08	11/8/08	13th St. @ Gateview	Traffic Violation Arrest	1 Cited	081234646
11/18/08	11/18/08	1100 blk Mason Ct.	Burglary, Apartment	Suspect Unknown	081235575
11/19/08	11/19/08	600 blk Av H	Theft of Checks or Credit cards	Suspect Unknown	0812389591
11/19/08	11/19/08	1400 blk Sturgeon	Malicious Mischief	Suspect Unknown	0812471522
11/23/08	11/23/08	1200 blk Gateview Ct.	Threats, Malicious Mischief	Arrest Made	081253420
11/23/08	11/23/08	1200 blk Northpoint Dr.	Burglary, Apartment	Suspect Unknown	081259224
10/23-11/15	11/23/08	California @ Av N	Burglary, Non-residential	Suspect Unknown	0812544127
11/22-11/23	11/23/08	1200 blk Marlner	Burglary, Apartment	Suspect Unknown	081256032
11/23/08	11/24/08	13th St. @ Gateview	Assault, Aggravated	Suspect Known	081258131
11/24/08	11/24/08	400 blk 13th St.	Animal, without proper care	Suspect Known	081260011
11/26/08	11/26/08	13th St. @ Gateview	Malicious Mischief	Suspect Unknown	081260435
11/27/08	11/27/08	600 blk Av H	Trespassing	1 Cited	081270656
11/27/08	11/27/08	1100 blk Mason Ct.	Burglary, Apartment	Suspect Unknown	081270327
11/30/08	11/30/08	1200 blk Bayside	Suspicious Occurrence		081279200
11/30/08	11/30/08	Av of the Palms @ Calif.	Found Property		081279272

Total 12

Arson
Larceny 2



POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET

SAN FRANCISCO, CALIFORNIA 94103-4603

ATHER J. FONG
CHIEF OF POLICE

January 5, 2009



Ms. Mirian Sacz
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
SF., CA 94130

SENT VIA FACSIMILE TO (415) 274-0299

Reference: Treasure Island Crime Statistics -- December 2008

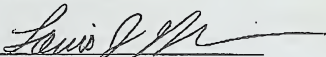
Dear Ms. Sacz:

There were thirty incident reports filed with the San Francisco Police Department about occurrences on Treasure Island and Yerba Buena Island during the month of December 2008. Please see Attachment A for specific information.

Please Contact me at (415) 553-9154 or at Daniel.McDonagh@sfgov.org if you have any questions.

Sincerely,

Daniel McDonagh
Captain -- Southern Station

By: 
Officer Louis Glaser
Southern Station
(415) 553-7959

ATTACHMENT A			TYPE	COMMENTS	CASE NUMBER
DOC. DATE	REP. DATE	LOCATION			
12/1/08	12/1/08	13th St. @ Gateview	Theft, from person	Suspect Unknown	081283176
12/1/08	12/1/08	1100 blk Reeves Ct.	Theft, other property	Suspect Unknown	081284306
12/2/08	12/2/08	9th St. @ Av H	Malicious Mischief/Vandalism	Suspect Unknown	081286766
12/2/08	12/2/08	1100 blk Keppler Ct.	Burglary, Hot Prowl	Suspect Unknown	081286669
12/2/08	12/2/08	1100 blk Hutchins Cr.	Burglary, Residence	Suspect Unknown	081287708
12/2/08	12/2/08	13th St. @ Gateview	Theft, from locked vehicle	Suspect Unknown	081288922
12/4-12/5/08	12/5/08	1200 blk Exposition	Theft, from locked vehicle	Suspect Unknown	081297785
12/6/08	12/6/08	1100 blk Keppler Cr.	Burglary, Apartment House	Suspect Unknown	081304318
12/9/08	12/9/08	600 blk 8th St.	Marijuana Offense	Suspect Known	081314157
12/9/08	12/9/08	600 blk Av H	Marijuana Offense	Suspect Known	081318137
12/11/08	12/12/08	1100 blk Ozburn Ct.	Malicious Mischief/Vandalism	Suspect Known	081324273
11/19/11/24	12/10/08	400 blk Av of the Palms	False Personation	Suspect Unknown	081317446
12/14/08	12/14/08	1300 blk Gateview Av	Theft, Vehicle Strip	Suspect Unknown	081331628
12/14/08	12/14/08	1200 blk Bayside Dr.	Theft, Vehicle Strip	Suspect Unknown	081331418
12/14/08	12/15/08	Address Withheld	Oral Copulation	Suspect Known	081336026
7/1-9/1/08	12/16/08	300 blk Yerba Buena Rd.	Burglary, Apartment House	Suspect Unknown	081338624
12/17/08	12/19/08	1300 blk Gateview Av	Marijuana Offense	Arrest made	081349251
12/18/08	12/18/08	1400 blk Sturgeon Dr.	Malicious Mischief/Vandalism	Suspect Unknown	081347926
12/18/08	12/18/08	1200 blk Mariner Dr.	Burglary, Residence	Suspect Unknown	081347380
12/20/08	12/20/08	1100 blk Hutchins Cr.	Vehicle Registration, false evidence	Suspect Unknown	081354802
12/21/08	12/21/08	1100 blk Reeves Ct.	Burglary, Residence	Suspect Unknown	081358224
5/15/08	12/15/08	600 blk Av H	False Personation	Suspect Unknown	081336894
12/17/08	12/19/08	1300 blk Gateview Av	Marijuana Offense	Suspect Known	081349251
12/25/08	12/25/08	1300 blk Gateview Av	Burglary, Apartment House	Suspect Unknown	081370986
12/26/08	12/26/08	1100 blk Keppler	Burglary, Apartment House	Suspect Unknown	081373460
12/25-12/26	12/26/08	1200 blk Bayside Dr.	Burglary, Apartment House	Suspect Unknown	081372133
12/28/08	12/28/08	1100 blk Keppler	Burglary, Apartment House	Suspect Unknown	081379985
12/29/08	12/29/08	1400 blk Striped Bass	Recovered Vehicle	Unfounded	081327649
12/25/08	12/29/08	1100 blk Lester Ct.	Theft, other property	Suspect Unknown	081381770
12/31/08	12/31/08	1200 blk Bayside Dr.	Burglary, Apartment House	Suspect Unknown	081390492

Part 1 Crimes December, 2008

Assault
Burglary 11

Robbery
Sex Offenses 1

Homicide
Vehicle Theft

Arson
Larceny 7

Total 19



MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

CITY & COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

TO: Mayor Gavin Newsom

CC: Steve Kawa, Chief of Staff
Ed Lee, City Administrator

FROM: Mirian Saez, Director of Island Operations, Treasure Island

RE: Treasure Island Informational Update

DATE: November 21, 2008

Gerry Adams, Visits Treasure Island

Thursday, November 13th, 2008, Irish leader Gerry Adams, President of the Sinn Fein Party, held a press conference on Treasure Island to celebrate the completion of three new Gaelic Football Fields on the Island. Mr. Adams was delighted by the fields and in awe of the surrounding views from the Island. At the completion of the press conference Mr. Adams, members of the Gaelic Athletic Association (GAA) and the Director of Island Operations tried their hand at hurling, also a Gaelic sport.

The Gaelic Athletic Association fields represent the best of a public and private partnership. GAA came to Treasure Island with a vision of developing fields that would bring more recreation to the citizens of San Francisco and the greater Bay Area. TIDA worked diligently with them to locate and identify fields. Prior to development, the areas were vacant lots overgrown with weeds and abandoned vehicles. The fields have been a great visual improvement to the Island overall and have enabled the Director to make good on her commitment to make TI a Recreation Destination.

The Gaelic Athletic Association has partnered with the Boys and Girls Club and the YMCA to bring the sport to the youth on Treasure Island.

Highlights of the week

The Treasure Island Museum Association Exhibit

On Thursday, November 13th, 2008, the Treasure Island Museum Association unveiled its new exhibit 'Portal to the Pacific in War and Peace', showcasing historical images from Treasure Island's 70 year history through a series of hanging panels, including many previously unpublished color photographs. The exhibit is located at Treasure Island's new Lobby Gallery in "Art Deco" Building One It is the first exhibit held in over 11 years by the Treasure Island Museum Association, a volunteer non-profit organization working to re-establish a permanent home for the Museum in Building One.

Memo to Mayor Gavin Newsom
Treasure Island Development Authority
November 21, 2008

The guest of honor at the event was Zoe Dell Lantis Nutter, the Pirate Theme Girl of the 1939-40 Golden Gate International Exposition World's Fair, held on Treasure Island. Also present at the opening was the acclaimed Golden Gate International Exposition writer Richard Reinhardt.

The San Francisco Library's Bookmobile

Thursday, November 20, 2008, Treasure Island residents were able to enjoy the San Francisco Public Library's Bookmobile for the first time. After a year and a half of working with the San Francisco Public Library to locate funds for the Bookmobile, it arrived on the Island and was enjoyed by the students of Delancey Street's Life Learning Academy, Glide's Youth Build and several residents. The Bookmobile will be on Treasure Island every Thursday from 10:30 am to 4:30 p.m. The Bookmobile will serve as the Island's library until redevelopment.

Treasure Island Café - Request for Qualifications (RFQ) Issued

On October 1, 1998, the Treasure Island Development Authority entered into a Sublease with the Delancey Street Foundation to operate a coffee shop/café in association with their vocational program for culinary arts. On September 12, 2007, Delancey Street announced that they could no longer continue to operate the café due to lost revenue and closed the café on November 30, 2007. Treasure Island Job Corps took over operations of the café in association with their vocational program for culinary arts. In October of 2008, Job Corps announced that they could not continue to operate the café because they too were losing money. Job Corps will move out of the café on December 31, 2008.

Because the café is one of only two sources of food and beverage for Island residents, TIDA Staff is in search of a full-service restaurant provider who can expand the menu offerings and hours of operation. TIDA staff has issued an RFQ as of November 21, 2008. Respondents will be evaluated on several key criteria including, but not limited to the following:

1. Demonstrated experience in operating a high quality and unique full service restaurant and bar;
2. Financial capacity and demonstrated ability to operate a full service restaurant and bar;
3. Experience and organization of the Respondent's team;
4. Demonstrated experience in developing an attractive and appetizing dining experience;
5. Demonstrated experience utilizing job training and employment programs.

The RFQ responses are due December 23rd, 2008

Attached are the current media for Treasure Island

Up-coming On-Island Special Events

Harvey Milk Dedication and Unveiling, Treasure Island Job Corps Campus November 25, 2008,
Dedication of the Gaelic Football Fields by the President of Ireland, Mary McAleese, December 12, 2008

Smith
Mr & Mrs Smith
Hotel Collection

romantic
escapes



Handpicked
boutique hotels

[« Previous—Next »](#)

HARVEY MILK TO BE HONORED AT TREASURE ISLAND JOB CORPS NOVEMBER 25

20 November 2008

Speaker Pelosi To Unveil Sculpture of the Late Youth and Human Rights Advocate

Treasure Island Job Corps Center will honor the late Supervisor Harvey Milk – an advocate for youth as well as civil rights – at a dedication and unveiling ceremony on November 25.

At the ceremony Tuesday, Speaker of the House of Representatives Nancy Pelosi will join civic leaders in unveiling a bust of Supervisor Milk. The Job Corps center was selected as the home for this historical piece of art because of Milk's commitment to the rights of all individuals – including underprivileged and minority youth. Milk's nephew, Stuart Milk, will make remarks along with Pelosi.

In addition, Treasure Island Job Corps Center will rename a campus building the Harvey Milk Memorial

Administration Building in his honor.

WHAT: Harvey Milk Sculpture Unveiling and Dedication Ceremony

WHO: Speaker of the House of Representatives Nancy Pelosi

Stuart Milk, nephew of the late Harvey Milk

Treasure Island Job Corps students and staff

WHEN: Tuesday, Nov. 25, 1:30 p.m.

WHERE: Treasure Island Job Corps Center, located on Treasure Island

655 H Avenue, Bldg. 442
San Francisco, CA 94130

Please check in at the security gate upon arriving at the center. Directions to the administrative building will be provided.

"Milk," a movie based on Harvey Milk's life and death, opens in theaters the next day.

About Job Corps:

Established in 1964, Job Corps has trained and educated more than 2 million young people, providing training and support services to more than 100,000 youth each year. Job Corps is administered by the U.S. Department of Labor and currently offers training at 122 centers across the country. Job Corps is an equal opportunity employer/program. Those who want to learn more about Job Corps and what it has to offer can call (800) 733-JOBS or visit [jobcorps](http://www.jobcorps.gov).

Sign up for our
Email Newsletter

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wednesday

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WHERE: Treasure Island Community Center , 497 Avenue I


WHEN: Every Thursday*, beginning November 20th

10:30 open

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4:30 close

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posted by blip pilot at 11:30 am 

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SFGate.com

S.F. Gaelic sports field gets an Irish blessing

Kevin Fagan, Chronicle Staff Writer

Friday, November 14, 2008

The man who helped bring peace to war-torn Northern Ireland over the past decade stood on a field on Treasure Island on Thursday and got violent with a big stick.

The few dozen people nearby got out of the way each time he swung. The only thing Gerry Adams ever hit was a ball. Which he did with a massive "whack" each time, and with obvious skill.

Which was the intention.

Adams, president of Northern Ireland's Sinn Fein political party, was on the island to pay homage to the first sport fields ever built in the Bay Area specifically for Gaelic football and hurling, the two most popular games in Ireland.

Though the main purpose of his visit here was to speak to local Irish American leaders about the latest political snarls as Northern Ireland struggles to govern itself as a British satellite, it was clear that his side trip to the island to whack a ball around for an hour was a lot more fun.

"Hurling is the fastest field game in the world, you know," Adams said, hefting the hurling stick in his hand. "My favorite, too."

The stick looks like a hockey stick with the business end molded into a rough oval instead of a rectangle. When someone, like Adams, who knows what they're doing swings it, he can hit the ball the length of a soccer field, which Adams did several times.

"Oh yeah, he's played all right," said Pat Uniacke, who headed up the project for the San Francisco arm of the international Gaelic Athletic Association. "He's good."

Hurling dates back to 1272, and it's like a cross between field hockey and lacrosse, with players fighting to smack a baseball-size orb into a net across a field either by air or on the ground. "Brutal" is one of the words usually attached to it. Gaelic football is pretty much like soccer, only you get to use your hands and dribble the ball.

The two games are a tad obscure to those not among the 40,000 Irish Americans in the Bay Area, but there are actually 700 people enrolled in Gaelic games clubs all over the region. About 30,000 Bay Area youths dabble in the sports through YMCA, the Boys and Girls Club and other local organizations.

For decades, members of the Gaelic Athletic Association used fields around San Francisco to do their kicking and whacking, but with the renovation of Treasure Island to non-Navy use, they saw

an opportunity. So last year, they got permission from the city to tear down an old jail and lease 13.5 acres - and over the past six months, volunteers created the new playing venues. The association is raising \$5.2 million for the work, which is continuing.

"We decided to make part of this island a recreational destination, and one of the first groups that jumped in was these Irish guys," said Mirian Saez, the city's director of Treasure Island operations. "They've done a great job."

The two adult fields will be dedicated on Dec. 7 with a tournament of all-star Gaelic football stars, and then Irish President Mary McAleese will fly over to officially dedicate the third field, which will be used for youth games, on Dec. 12. Next year, the fields will host the annual Continental Youth Championships, which is the biggest youth Gaelic football tournament in North America.

"I think it's terrific that young children will learn about our sports here," said Adams, who later in the day spoke at a fundraiser for Sinn Fein at the Sir Francis Drake Hotel. "What the people have done here is marvelous."

E-mail Kevin Fagan at kfagan@sfchronicle.com.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/11/14/BAP8144BTV.DTL>

This article appeared on page **B - 3** of the San Francisco Chronicle



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Barack Obama May Be Treasure Island's Only Hope

Monday, November 10, 2008, by Andy J. Wang

Not even a week into President-elect Barack Obama's, uh, president-electness, and his halo's already glowing over **Treasure Island**. While developer Wilson Meany Sullivan twiddles its thumbs waiting to build San Francisco's island eco-wonderland, the city's been hard at work negotiating with the federal government for a price to let the former Navy base go quietly. **At the city's offer of about \$40 million, plus 50 percent of future land profits**, the feds aren't budging—thus dooming us to a neverending limbo of dragon boat races and the occasional concert.

Enter the **messiah** president-elect, who will likely pounce on the opportunity to get the feds a few extra benjamins while putting the land into productive use to stimulate the economy. Said the city's economic development director: "It hasn't been necessarily clear that the current administration's priorities around closed military bases have been local economic development." Not necessarily, but... Yes! We! Can!

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Sparkletack - the San Francisco History Podcast

Stories unearthed from the history of San Francisco, the “city that knows how”.

November 13, 2008

Zoe the Pirate returns to Treasure Island

[Blog](#), [From the community](#)



Since writing and recording the (epic!) Sparkletack [two-podcast series](#) on the history of Treasure Island, Anne Schnoebeln of the [Treasure Island Museum Association](#) has been a regular correspondent of mine — keeping me posted about the struggle to reopen the long-shuttered [Treasure Island Museum](#).

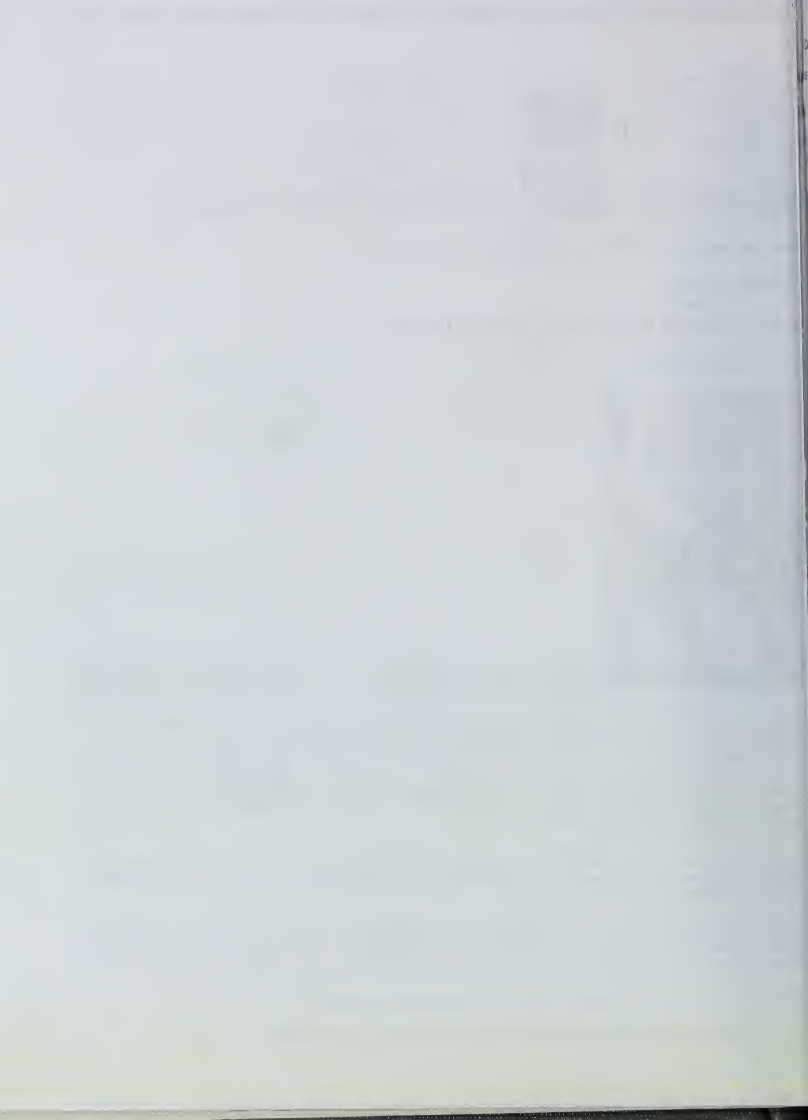
To get you quickly up to speed, as plans for the Island’s transfer from the Navy to San Francisco crept slooowly along, the Museum fell into bureaucratic limbo ... and it’s still there. The collection was shoved into a [basement](#), and we’ve just been waiting to see what will happen next.

Nothing guarantees that the fabulous collection of Treasure Island artifacts will even stay in the Bay Area, but last night, I got the word that Treasure Island’s magnificent Art Deco showpiece” [Building One](#)” is once again home to a historical exhibit. And that’s something, right?

I’ll reprint the details of the exhibit below, but here’s the sweet part: see the fetching young woman whacking a bottle of bubbly against a [China Clipper](#) up there? That would be Zoe Dell Lantis, the official “Pirate Theme Girl” of the ‘39 Treasure Island World’s Fair ... and she will be the guest of honor at the exhibit’s unveiling this evening.

As to the eventual fate of the Museum itself ... well, keep your fingers crossed.

The Treasure Island Museum Association unveils its new exhibit ‘Portal to the Pacific in War and



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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TO: Mayor Gavin Newsom

CC: Steve Kawa, Chief of Staff
Ed Lee, City Administrator

FROM: Mirian Saez, Director of Island Operations, Treasure Island

RE: Treasure Island Informational Update

DATE: December 5, 2008

Highlights of the Week

In August of this year, Yerba Buena Island had a small brush fire which was quickly contained. Immediately following the brush fire TIDA held a multi-agency debrief to discuss the origin of the fire and the response as well as future measures to be taken to safeguard the lives and structures on the Island. TIDA concluded that a 100-foot defendable space be created. Given the steepness of the terrain, TIDA contracted with Goats R Us, a local company, to clear the hillside utilizing 250 goats. TIDA staff worked with Ruth Gravanis of the Department of the Environment Board to insure that all native species plants are preserved during the grazing period.

The removal of the brush is part of an overall comprehensive Vegetation Management Plan that TIDA developed and executed over the past year as part of its safety initiative. The total cost of the plan is approximately \$110,000 spread over two fiscal years.

Capital Improvements

In keeping with your goal to provide economic stimulus during these difficult times, TIDA has executed the following capital improvements projects.

The John Stewart Company (JSCo) was selected to manage the TIDA Housing Portfolio through an extensive Request for Qualifications process in 1998. There are approximately 1400 residents living in the 525 JSCo units. In 1998, JSCo made a significant investment in the Treasure Island housing stock by rehabilitating the units for leasing to the public. The improvements are now at the end of their useful life. Given the current redevelopment timeline, the housing stock must remain viable for another five to seven years. Accordingly, TIDA has approved \$324,835 in capital improvements to the housing stock over the next year.

Demolition of Building 7 and 92. In 2007, vacant Buildings 7 and 92 caught on fire. The cause of both fires was attributed to squatters living in the buildings. Both buildings were old wood structures which burned quickly, destroying more than half of the structures. Given that these are nuisance properties, TIDA approved the demolition of the buildings. Located on the east side of the Island, their removal creates more open space for special events. The demolition cost is \$500,000.

Roof Repairs for the Administration Building, Building 201 and the TI Deli. The Historic Administration Building, which will remain in the redevelopment, has been repaired along with Building 201, a warehouse whose reuse includes a wine maker, cabinet maker, and batting cages, had portions of the roof repaired. TI Deli, the former Gate House, also had its roof repaired. The total cost: \$126,000.

Recreation Destination

On Sunday, December 7th, the 2007 & 2008 Gaelic Athletic Association (GAA) Football All-Stars will take to the new GAA fields at Treasure Island to celebrate the opening of Páirc na nGael, San Francisco. The program of events begins at 11:00 a.m. with a San Francisco select men's game featuring the best San Francisco Footballers and a selection of youth games. President of the GAA, Nicky Brennan, will perform the official opening at 1:30 p.m. followed by a parade with the Football Youth League players and the All Star teams in advance of the main game.

Up-coming On-Island Special Events

Gaelic Football Field Grand Opening, December 7, 2008

Dedication of the Gaelic Football Fields by the President of Ireland, Mary McAleese, December 12, 2008

Attached are the current media for Treasure Island



From left, San Francisco City Treasurer Jose Cisneros, Congresswoman Barbara Lee, former San Francisco Mayor Willie Brown, Speaker Nancy Pelosi, Mirian Saez, Mrs. Milk, Stuart Mlik
Photos by Bill Wilson © 2007-2008

House speaker Nancy Pelosi and other Bay Area leaders and representatives joined youth at the Treasure Island Job Corps Center yesterday to celebrate the life of Harvey Milk and unveil a bust of the former San Francisco supervisor.



The event came nearly 30 years after Milk and former Mayor George Moscone were shot and killed at City Hall by former San Francisco Supervisor Dan White.



In addition to Pelosi, speakers included U.S. Rep. Barbara Lee, former San Francisco Mayor Willie Brown and Milk's nephew Stuart Milk, all of whom spoke about Milk's commitment to social justice and the community.

"He came to everything," Pelosi said, reflecting on when she was a volunteer for the Democratic Party more than 30 years ago. "All of it was important to him."

Pelosi said the Treasure Island Job Corps Center was an appropriate setting for today's ceremony because of Milk's commitment to youth.

The center offers job training and education to 600 youth between the age of 16 and 24.



In addition to unveiling the bust at the event, officials announced a building on the center's campus has been renamed the Harvey Milk Memorial Administration Building. The bronze bust, a replica of one placed at City Hall earlier this year, will be put in the building's foyer.

Stuart Milk said, "The youth are really the hope and Harvey saw that and realized that early on."

Earlier Tuesday, U.S. Sen. Dianne Feinstein, who was the first person to find Milk's body on an office floor in San Francisco City Hall in 1978, reflected on the assassination.

"I remember it as if it was yesterday," Feinstein said.

Speaking to members of the media at her San Francisco office, Feinstein said of Milk, "He was a character in many respects. He could be very funny. He could be very intense. He could be very loud."

Feinstein, who was president of the Board of Supervisors at the time, recalled hearing the shots, leaving her office and finding Milk's body before learning that Moscone had also been killed.

Feinstein said today White did not kill Milk because of his sexual orientation, but rather because he felt betrayed when he was not able to reclaim his seat on the board after resigning.

"What people don't know is that Dan White and Harvey Milk were friends," Feinstein said, adding they used to meet for coffee in the Castro nearly every week.

"Dan White was a troubled man under a lot of pressure," Feinstein said.

Because of her position as president of the board, Feinstein became mayor after Moscone's death. She was then elected to the post twice.

At today's event, she called the two years after the assassinations the most difficult political years of her life.

"What it did to the city was divide it right down the middle," Feinstein said.



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Treasure Island Wins Governor's Award for Environmental and Economic Leadership in Sustainable Communities

Governor Arnold Schwarzenegger, California EPA Recognize TI's Green Building Features and Energy Conservation

Last update: 1:28 p.m. EST Nov 26, 2008

SAN FRANCISCO, Nov 26, 2008 (BUSINESS WIRE) — A plan to revitalize Treasure Island crafted by the City of San Francisco, Treasure Island Community Development and community members is being recognized for its environmental and economic leadership by Governor Arnold Schwarzenegger, the California Environmental Protection Agency and a host of other state agencies.

The review panel for the Governor's Environmental and Economic Leadership Award deemed the design for a new Treasure Island community "exceptional" in its forward-thinking vision and commitment to environmental sustainability.

"We thank the Governor and those state officials who selected our development plan for this honor," said Kofi Bonner, President of Lennar Urban's Bay Area Division and member of Treasure Island Community Development. "The proposed redevelopment of Treasure Island truly reflects the environmental leadership displayed by San Franciscans and offers a model to other cities about how to build for the 21st century and beyond. We have been proud to work with the City of San Francisco, our partners and the community to shape the future of a new Treasure Island."

"Treasure Island will be one of the most environmentally sustainable large development projects in U.S. history," said Michael Cohen, the City of San Francisco's Director of Economic and Workforce Development.

Plans call for the transformation of approximately 450 acres at the former Naval Station Treasure Island and adjacent Yerba Buena Island. The development is the result of a public-private partnership between the Treasure Island Development Authority, a non-profit public benefit corporation, and Treasure Island Community Development, an entity which includes Lennar, Wilson Meany Sullivan, and Kenwood Investments.

The proposed plan would promote pedestrian friendly neighborhoods built around an intermodal transit hub. This design will keep two-thirds of the land available for the creation of a 300-acre park and open space system. The green infrastructure proposed for the project will enable the development plan to achieve a Gold certification under the LEED-ND Neighborhood Development program.

Open space features prominently as part of the Islands' sustainable infrastructure. A constructed wetland will provide wildlife habitat and serve a storm water treatment function. A new wastewater treatment facility will recycle water for irrigation and other commercial uses.

Approximately 6,000 new homes are planned, with 30 percent priced affordable at below market rates. New development on Treasure Island is expected to meet Green Building Standards specifically created for Treasure Island and tiered off the LEED NC environmental building standards. Buildings will be energy efficient and uses in the urban core will be served by an energy efficient central heating and cooling plan.

Alternative energy sources such as solar and wind power will allow Treasure Island to create more energy than it uses during certain times of the day. Renewable grid-source power will be used for 100 percent of the development's power supply.

And a comprehensive transportation plan has been developed, one that prioritizes walking and bicycling and maximizes use of public transit through


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congestion management pricing, household transit passes, parking policies and freeway ramp metering.

"All of these features clearly demonstrate our commitment to responsible and sustainable development," said Mr. Bonner. "We are preparing to build a community that can meet the needs and challenges of the future."

SOURCE: Lennar Urban

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Building renamed in honor of Milk

NEWS

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by Matthew S. Bajko
m.bajko@ebar.com

Published 12/04/2008

A building on Treasure Island housing a federal program that trains at-risk youth now bares the name of Harvey Milk, the first openly gay man to win elective office in a major U.S. city who was assassinated 30 years ago.

The Treasure Island Job Corps Center renamed a campus building the Harvey Milk Memorial Administration Building last week in honor of Milk. It is the first federal building to be dedicated to an openly gay American.

At the November 25 dedication ceremony on the man-made island in the middle of the bay, a bronze bust of the gay rights pioneer similar to the one placed earlier this year inside City Hall was also unveiled.

"Our students are wearing buttons with one of Harvey Milk's famous quotes - 'Give 'em hope,'" said Brian Daher, San Francisco regional director for Job Corps. "It's very fitting because that's what we do at Job Corps - we provide hope through education and training to economically disadvantaged students who may not otherwise have that opportunity."

The job corps center serves 600 students from across the country ages 16 through 24, many of whom are underprivileged and minority youth. Several on hand for last week's unveiling said they had never heard of Milk but welcomed seeing his name added to their campus.

"It's cool. I think it is a really good thing for job corps," said Vice President of Student Government Sajata Poole, 18, from the Bronx in New York City. "His being a supervisor was a major accomplishment."

Milk's openly gay nephew, Stuart, works for the company that helps run the job corps center.



A group of elected officials and Milk family members gather around the just-unveiled bust of Harvey Milk at the renamed Harvey Milk Memorial Administration Building at the Treasure Island Job Corps Center. Pictured are city Treasurer Jose Cisneros; Congresswoman Barbara Lee; former Mayor Willie Brown (partially obscured); Mirian Saez, Treasure Island Development Authority chief; Stuart Milk; House Speaker Nancy Pelosi; and Audrey Milk. Photo: Rick Gerharter

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Maylene Wong
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He was on hand for the dedication with his mother, Audrey Milk, and called it a fitting tribute to his uncle.

"Youth really are the hope for tomorrow. Harvey saw that and recognized that early on," Stuart Milk told the 75 students on hand to witness the unveiling.

House Speaker Nancy Pelosi (D-San Francisco), who helped secure the funding to open the job corps center, attended the ceremony and called Milk "a great patriot."

She said Milk's willingness to stand up for what he believed was right would serve as a "wonderful example" for the job corps' students.

"Harvey Milk was all about opportunity for everybody. Sure, he made it better for the LGBT community, but he made it better for everybody," said Pelosi, who marveled that the bust looked just like Milk. "He was comfortable in his own skin and wanted everyone else to be so as well."

Joining Pelosi was Congresswoman Barbara Lee (D-Oakland). Recently named chair of the influential Congressional Black Caucus, Lee also co-chairs the newly formed LGBT Equality Caucus in Congress.

"Harvey's life embodied all of the good that the human spirit embodies. He was a person who wanted us to live up to our potential regardless of sexual orientation," said Lee. "Thanks to Harvey Milk we have moved forward so far for human justice."

Sculptor Jonah Hendrickson, whose firm Daub Firmin and Hendrickson Sculpture Group created the bust and donated it to the job corps center, said he hoped it would inspire the young trainees who attend the campus to achieve their dreams.

"I know Harvey wanted so deeply for young people to feel a sense of purpose and hope. I hope the trainees here are inspired by Harvey's actions and words and are encouraged," he said.

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S.F. Gaelic sports field gets an Irish blessing

Kevin Fagan, Chronicle Staff Writer

Friday, November 14, 2008

The man who helped bring peace to war-torn Northern Ireland over the past decade stood on a field on Treasure Island on Thursday and got violent with a big stick.

The few dozen people nearby got out of the way each time he swung. The only thing Gerry Adams ever hit was a ball. Which he did with a massive "whack" each time, and with obvious skill.

Which was the intention.

Adams, president of Northern Ireland's Sinn Fein political party, was on the island to pay homage to the first sport fields ever built in the Bay Area specifically for Gaelic football and hurling, the two most popular games in Ireland.

Though the main purpose of his visit here was to speak to local Irish American leaders about the latest political snarls as Northern Ireland struggles to govern itself as a British satellite, it was clear that his side trip to the island to whack a ball around for an hour was a lot more fun.

"Hurling is the fastest field game in the world, you know," Adams said, hefting the hurling stick in his hand. "My favorite, too."

The stick looks like a hockey stick with the business end molded into a rough oval instead of a rectangle. When someone, like Adams, who knows what they're doing swings it, he can hit the ball the length of a soccer field, which Adams did several times.

"Oh yeah, he's played all right," said Pat Uniacke, who headed up the project for the San Francisco arm of the international Gaelic Athletic Association. "He's good."

Hurling dates back to 1272, and it's like a cross between field hockey and lacrosse, with players fighting to smack a baseball-size orb into a net across a field either by air or on the ground. "Brutal" is one of the words usually attached to it. Gaelic football is pretty much like soccer, only you get to use your hands and dribble the ball.

The two games are a tad obscure to those not among the 40,000 Irish Americans in the Bay Area, but there are actually 700 people enrolled in Gaelic games clubs all over the region. About 30,000 Bay Area youths dabble in the sports through YMCA, the Boys and Girls Club and other local organizations.

For decades, members of the Gaelic Athletic Association used fields around San Francisco to do their kicking and whacking, but with the renovation of Treasure Island to non-Navy use, they saw

an opportunity. So last year, they got permission from the city to tear down an old jail and lease 13.5 acres - and over the past six months, volunteers created the new playing venues. The association is raising \$5.2 million for the work, which is continuing.

"We decided to make part of this island a recreational destination, and one of the first groups that jumped in was these Irish guys," said Mirian Saez, the city's director of Treasure Island operations. "They've done a great job."

The two adult fields will be dedicated on Dec. 7 with a tournament of all-star Gaelic football stars, and then Irish President Mary McAleese will fly over to officially dedicate the third field, which will be used for youth games, on Dec. 12. Next year, the fields will host the annual Continental Youth Championships, which is the biggest youth Gaelic football tournament in North America.

"I think it's terrific that young children will learn about our sports here," said Adams, who later in the day spoke at a fundraiser for Sinn Fein at the Sir Francis Drake Hotel. "What the people have done here is marvelous."

E-mail Kevin Fagan at kfagan@sfchronicle.com.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/11/14/BAP8144BTV.DTL>

This article appeared on page **B - 3** of the San Francisco Chronicle



CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
B. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TO: Mayor Gavin Newsom

CC: Steve Kawa, Chief of Staff
Ed Lee, City Administrator

FROM: Mirian Saez, Director of Island Operations, Treasure Island

RE: Treasure Island Informational Update

DATE: December 19, 2008

Highlight of the Week

On Friday, December 12th, 2008, President Mary McAleese of Ireland came to Treasure Island to dedicate Páirc na nGael, the Gaelic Athletic Association (GAA) football fields. Madam President was greeted by hundreds of Irish American children and adults. The President was impressed and spoke proudly of the hard work and effort that went into creating the fields.

Less than a year ago, the Treasure Island Development Authority (TIDA) Board approved a sublease with the GAA to develop four new athletic fields on Treasure Island. The four "pitches", which total 12 acres, provide San Francisco much needed recreation space in the form of athletic fields. The fields were once overgrown with weeds and had become a location for abandoned vehicles. With hard work and the donation of time and talent, the GAA has transformed the sites into lush, beautiful playing fields.

Quality of Life Challenge Met

Treasure Island residents created a document entitled *Quality of Life Issues* that quantified outstanding residential concerns in January 2006, which was subsequently presented to TIDA in June of 2006. There were a total of seven public meeting and 14 small group meetings held to create the document. The meetings were facilitated by Daniel Homsey of the Mayor's Office of Neighborhood Services and Marianne Thompson of TIDA.

The document was broken down into five categories: Youth; Governance; Services and Quality of Life; Public Safety and Health; and Economic Development. Issues included repair requests for street lighting and street paving, as well as better common area maintenance, the creation of employment opportunities, affordable daycare, more activities, and educational enrichment for youth, among a total of 77 items.

Memo to Mayor Gavin Newsom
Treasure Island Development Authority
December 19, 2008

To date, 70 of the 77 issue items have been completed. TIDA directed a significant portion of its 2007/2008 budget to respond to issues of repairs and improvements to facilities and infrastructure. Further, through a granting process, TIDA funded affordable daycare, an economic self-sufficiency program, and academic enrichment and youth activities programs.

Currently, TIDA Staff is completing four more resident-requested projects: a playground, a skateboard park, a dog run, and an emergency operations plan. The remaining three items will be addressed through redevelopment.

New Leases

TIDA has agreed to a six month sublease with the San Francisco Film Commission for Historic Hanger Three. The terms of the sublease are for \$10,000 a month, with a possible extension on the time. TIDA has prepared the building for a film company to move in and begin production immediately. Hangar Three was most recently used by Gus Van Sant for filming and production of the movie *Milk*.

Special Events

TIDA has negotiated and has agreed to a two year commitment with *Oracle* for its annual *Oracle Open World* appreciation event. This permit secures the Historic Hanger Three, Pier One and the South East Portion of the Island for 2009 and 2010. TIDA staff looks forward to working with Hartmann Studios to produce these two events.

This past year, *Oracle* transformed the space into Coney Island, complete with a Ferris wheel and merry-go-round on the pier. The *Open World* event which was attended by 25,000 guests had legendary performers such as Elvis Costello, Seal, and UB40. The transportation plan was executed professionally.

Attached are the current media for Treasure Island

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Treasure Island Development Authority
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Attached are the current media for Treasure Island

SFGate.com

Treasure Island: Muni bus stop in the dark

Jonathan Curiel

Sunday, December 7, 2008

**What's not working: day 1**

Treasure Island bus stop: For six months, Hector Lara has worked on Treasure Island, and for six months, Lara has encountered frustration when - at night, after work - he goes to catch a Muni bus back to San Francisco. The bus stop that Lara uses, which is located on the south side of Ninth Street just east of Avenue E, has no light, so Lara and other passengers have to wait in the dark. Exacerbating the problem, says Lara: The stop has a marking on the pavement that reads "Coach Stop," but no Muni insignia on the nearby pole. He says drivers of Muni's 108 line will occasionally (and inadvertently) bypass the stop's nighttime passengers. "We'll wave (the driver) down with our cell phone light or something," says Lara, whose concern was relayed to both Muni and the Treasure Island Development Authority. Mirian Saez, director of island operations for the authority, says it had previously identified the stop as needing a light, but that this "would require the extension of electricity to the site and the installation of a new pole. (The authority) concluded that a more cost-effective solution would be to relocate the bus stop 100 feet west of its current site to the intersection of Ninth and E," where there is a streetlight. In fact, the authority has already contacted Muni about having the transit agency move the stop to this light-friendly location. In the meantime, the authority is planning to add more lights along 9th Street as part of a street-light program that's set to begin next month. Muni is also aware of Lara's concern, and spokesman Judson True says the San Francisco Municipal Transportation Agency "is working closely with (the authority) to improve Muni service for Treasure Island residents and visitors."

Is something broken in your neighborhood? Call us at (415) 777-7170 or e-mail us at chroniclewatch@sfchronicle.com.

On the watch list

DAY 86 Berkeley is still working on a culvert project that requires sawhorses put up on Frontage Road near the intersection with Ashby Avenue. The work, which has gone on for a year, forces those who drive south on Frontage to merge into one lane from two lanes.

Who's responsible: Claudette Ford, public works director, (510) 981-6300; publicworks@ci.berkeley.ca.us

DAY 33 Streetlights along Martin Luther King Jr. Drive in Golden Gate Park are still broken. The

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Matier & Ross

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Anatomy of a tragedy

Phillip Mabier, Andrew Ross
Sunday, December 7, 2008

PRINT E-MAIL SHARE COMMENTS (92)

FONT SIZE: + -



Raymond Gee, the 22-year-old who stalked a young San Mateo mother of two and killed her after breaking into her home, had been caught twice by police in San Francisco with a gun in his possession within the past year.

IMAGES



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VIDEO



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Dec. 04, 2008, 11:40 p.m. PT

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MATIER & ROSS

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The second time, Gee was accused of unlawfully possessing a gun and 7 pounds of marijuana - charges that could have kept him behind bars for 10 months.

Instead, he was living in an unlocked drug treatment center when he killed 24-year-old Loan Kim Nguyen on Nov. 25 as she frantically passed her children, ages 3 and 1, to police officers outside her Hobart Avenue home in San Mateo.

According to police reports, Gee first came to San Francisco authorities' attention the morning of Dec. 14, 2007, when he was stopped for a traffic violation at Ulloa Street and 19th Avenue. The officer checked and found he was driving on a suspended license.

"Can't you give me a verbal warning?" Gee told the officer. "My mom wants me to be a policeman."

The cop opened the trunk of Gee's car and found a bag containing an unloaded gun, ammunition and duct tape, the report said.

"Well, you hit the jackpot now," Gee said when the officer showed him the Llama pistol.

Asked where he got the gun, Gee said, "I got it from some guy on the street."

Gee didn't have any registration for the weapon. Police seized it, but it wasn't loaded and officers had no proof

it was stolen. So police never sent the case to the district attorney, and Gee was never charged with anything steeper than a traffic ticket.

Two months later, on Feb. 17, Gee and a passenger were pulled over on another traffic stop, this time on Broadway.

Once again, there was a gun in the trunk - an E3 Beretta pistol - plus the 7 pounds of pot, the police report said.



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END 2008 HOT DEALS

And this time, the gun was loaded.

The case was turned over to prosecutors in District Attorney **Kamala Harris'** office, who charged Gee with possession of marijuana for sale, transporting marijuana and misdemeanor possession of a firearm.

Because the car belonged to someone else, however, prosecutors were worried that Gee could simply say the gun and pot weren't his.

And because they had never received the first gun-possession case, prosecutors had no idea it was out there.

Upshot: A deal was cut. In July, Gee pleaded guilty to felony possession of the pot, enhanced with possession of the gun.

In return, he was sentenced to 10 months in county lockup and three years' probation.

But because Gee had no criminal record, authorities decided that his drug problem should be addressed first. So he went into a treatment program rather than jail.

Four months later, police say, Gee started stalking Nguyen after meeting her at a Halloween party. A month after that, Nguyen was dead.

After shooting her in the back in her home, police say, Gee put his pistol under his chin and pulled the trigger.

Harris spokeswoman **Erica Terry Derryck** said in a statement Friday that "there was no legal diversion of this defendant. When the district attorney's office encountered him for the first and only time in our jurisdiction, he was charged and convicted of a felony with a gun allegation. His conduct in San Mateo resulted in a horrible tragedy that by all accounts could not have been forecast."

San Francisco Assistant Police Chief **James Lynch** can't get over the fact that twice his officers stopped Gee and both times took away a gun.

"The final, tragic events in San Mateo once again highlight the need to improve laws to ensure that individuals with criminal intent, such as Mr. Gee, do not have access to guns," Lynch said. "Gun laws must be strengthened to keep guns out of the hands of individuals with criminal intent."

What a game of Russian roulette.

Go green: Irish President **Mary McAleese** will be stopping by San Francisco on Friday to help dedicate a small miracle: the San Francisco Gaelic Athletic Association's new football and hurling fields out at Treasure Island.

We say miracle, because the four fields and field house - which will cost upwards of \$5 million - are all being built without a dime of public funds.

What's more, the club got the job done in 18 months.

"We were at a crossroads," said **Pat Uniake** of the Gaelic Athletic Association. "The Recreation and Park fields were too small and in too much disrepair for lack of funds. It was either build our own or watch the sport die here."

Treasure Island development chief **Mirian Saez** told us, "I thought we were just leasing some dilapidated lots to a couple of Irish guys. The next thing I know, they're pulling up in bulldozers."

Junked junket: They were all packed and ready to go, but at the last minute 20 state and local transportation officials canceled their long-planned "cultural exchange" junket planned for this past week ... to Mumbai, India.

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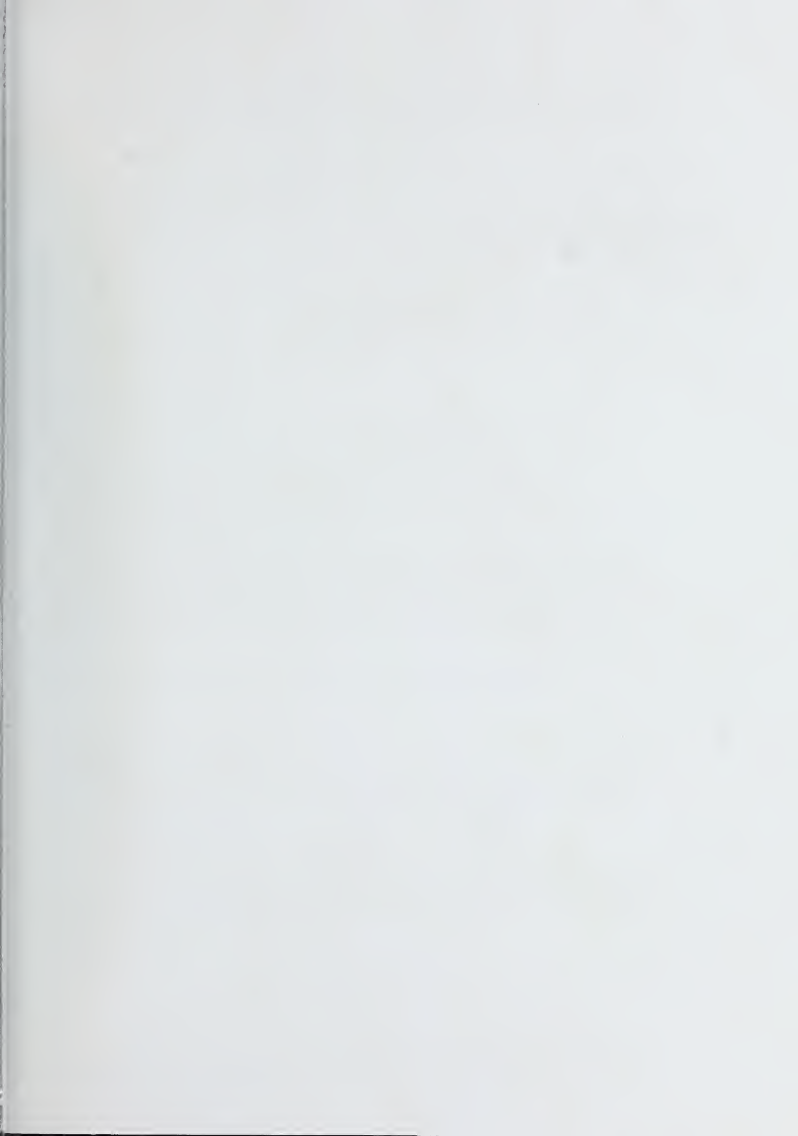
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MEMORANDUM

To: Marian Saez, Director of Operations
Treasure Island Development Authority
City of San Francisco
410 Palm Avenue
Building 1, 2nd Floor
Treasure Island,
San Francisco, CA 94130

cc. Mark McDonald, TIDA
John Stewart, JSCO
Paula Schlunegger, JSCO

Gary Griffin, Edison Capital
Loren Sanborn, JSCO
Lynny Lee, JSCO

Ned York, JSCO
Connie Le, JSCO
Jack Gardner, JSCO



From: Lynny Lee

Date: December 22, 2008

RE: **Percentage Rent for Treasure Island Housing Project Sublease for Nov 2008**

Enclosed is our payment of Percentage Rent in the amount of \$562,133 per the sublease agreement. This figure is based on the calculations on the accompanying attachment. You should note that these expenses include funding reserves as outlined in the sublease requirements as well as accrued the funds to pay Possessory Interest charges of the property.

Calculation of Funds Available for Distribution

TIDA receives 95% revenues remaining after adjusting gross revenues by operating expenses, current accretion due and the repayment of ledger balances based on sublease specifications. Funds expended for replacement reserve eligible items are expensed in the period expenses are recognized. To the degree that these costs are reimbursed from the replacement reserve account, percentage rent will be adjusted in the period that the reserve draw is approved.

****Details for calculation will be provide by Michael Smith-Heimer later**

Calculation of Percentage Rent

Based on operations, a total of 591,719 in adjusted Gross Revenues after costs of operations are available for distribution reflecting the Nov Period. These revenues are distributed as follows:

<u>Nov 2008 Distributions</u>	<u>Actual</u>	<u>Budgeted</u>
Available for Distribution	\$591,719.00	526,909
Percentage rent for TIDA	\$562,133.00	500,564
Percentage rent for JSCO	\$ 29,586.00	26,345

This percentage rent breakdown reflects the current year split by TIDA/JSCO. Beginning in April 2005 disbursements, TIDA receives 95% of revenues after expenses, while the John Stewart Company percentage is 5% of the amount.

attachment

MEMORANDUM

To: Paula Schlunegger, Controller

cc. Loren Sanborn, JSCo
John Stewart, JSCo
Jack Gardner, JSCo
Marl Tustin, JSCo
Dan Levine, JSCo
Lynny Lee, JSCo
Connie Le, JSCo
Ned York, JSCo

From: Lynny Lee

Date: December 22, 2008

RE: Disbursements reflecting Draw 118 (Nov 2008 actual operations)

Based on calculations for TIDA and Edison, please complete the following transactions.

	Account Booked <u>AMOUNT</u>	<u>JSCO</u>	<u>TI</u>
Operational Transfers --			
Write a check to the Treasure Island Development Authority for Percentage Rent for Nov 2008 period	\$562,133		7141-000,
Write a check to JSCo for Percentage Rent for Nov 2008 Period	\$29586	5512	7142-000

Thank you,



CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

November 6, 2008

Exotic Erotic Events, Inc.
Attn: Howard Mauskopf
8730 Wilshire Blvd. #414
Beverly Hills, CA 90211

Dear Mr. Mauskopf,

I write to follow up on our telephone conversations and your October 30, 2008 email correspondence regarding the failure of Exotic Erotic Events, Inc. ("EEE") to pay the amounts due to the Treasure Island Development Authority ("TIDA") under the Use Permit between the parties dated October 22, 2008. Pursuant to the Use Permit, EEE was obligated to pay TIDA both a \$41,000 Permit fee and a \$20,000 security deposit. As you have acknowledged, EEE stopped payment on the checks it provided TIDA for the permit fee and security deposit.

In your October 30, 2008, email, you indicated that you do not dispute that you owe TIDA the \$41,000 permit fee in full, and that it is your intention to pay the fee "100%." I must point out, that in addition to the permit fee, EEE failed to comply with its obligations under Section 16 of the Use Permit to surrender the premises back to TIDA free from damage and debris. Accordingly, TIDA incurred a \$6,000 bill to clear and clean the premises, which would have been deducted from the refund of the security deposit pursuant to Section 33 of the Use Permit. Accordingly, EEE is obligated to TIDA in the total amount of \$47,000.

TIDA must insist on payment. Nonetheless, we appreciate your honesty regarding EEE's current financial position and take you at your word that full, immediate payment is not possible. Accordingly, for now, TIDA will agree to receive its Permit fee payment in ten equal parts of \$4,100. The first payment is to be made on or before Friday, November 14, 2008. The second-through-tenth payments are to be paid on or before the fifteenth day of each of the succeeding nine months (starting on December 15, 2008, with the final payment on or before August 15, 2009). Each payment should be a certified or cashier's check. Additionally, TIDA insists on immediately receiving a separate payment for the clean-up in the amount of \$6,000 no later than Friday, November 14, 2008.

If any payment is missed or late under this schedule, or any check is refused for deposit, TIDA will immediately file a civil action against you and EEE in the San Francisco Superior Court.

We may seek all available legal remedies, including a writ of attachment. As you are aware, pursuant to Section 34(g) of the Permit, EEE will also be obligated to pay all of TIDA's attorney fees and costs.

I look forward to receiving EEE's first Permit-Use and clean-up payments promptly. Pursuant to Section 1 of the Use Permit it should be directed to:

Treasure Island Development Authority
410 Avenue of the Palms
Building 1, 2nd Floor
Treasure Island
San Francisco, CA 94130
Attn: Director of Island Operations

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mirian Saez', written over the word 'Sincerely,'.

Mirian Saez
Director of Island Operations

cc: Eileen M. Malley, Deputy City Attorney
Ed Lee, City Administrator

& COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
G. ONE, 2ND FLOOR, TREASURE ISLAND
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(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

November 10, 2008

Mr. Rex Liu
2315 26th Avenue
San Francisco, CA 94116

Re: Sublease for SF Kanko Photo Booth Premises on Treasure Island

Dear Mr. Liu;

Thank you for your recent communications regarding the status of your store, SF Kanko Photo Booth, on Treasure Island. I am sorry that you believe that the Treasure Island Development Authority (TIDA) Leasing Department has treated you unfairly and unprofessionally. One of my priorities since becoming the Director of Island Operations has been to create a culture of professionalism and customer service among TIDA Staff. While I am disappointed to hear that you are unhappy with your experience with TIDA Staff, your communications contain some serious misstatements of fact. I will not attempt to address every misstatement in this letter, but it is critical that I address the following key points.

Mr. Joey Vazhappally's Tenancy

Your correspondence raises issues regarding the tenancy of Mr. Joey Vazhappally. Mr. Vazhappally does not have a sublease or any other contractual arrangement with TIDA. He occupies premises within the Job Corps property that the United States Department of Labor owns and controls. Because TIDA has no jurisdiction or responsibility for the Job Corps property or Mr. Vazhappally's lease, this letter will not address his situation.

Treasure Island Market and Deli

In your October 22, 2008 letter addressed to the TIDA Board of Directors, you stated that nobody informed you regarding the new market and deli that opened on July 24, 2008 in the former gatehouse. I regret that you have forgotten that Marc McDonald, Rich Rovetti and I each offered you the opportunity to relocate your store from its current location to the site of the new market and deli. Mr. McDonald, Mr. Rovetti and I recall that you refused our offers stating that the site was poorly located and not financially viable.

Your October 22, 2008 letter also alleges certain improprieties in connection with the subleasing of the gatehouse for the new market and deli. I want to assure you that the gatehouse was subleased in compliance with TIDA's rules and procedures. As you know, TIDA is formulating

a plan for the redevelopment of Treasure Island. Because construction of the redevelopment project is likely to commence in the next 12 to 18 months, TIDA subleases its commercial portfolio on a short-term interim basis. TIDA's subleasing rules and procedures establish an efficient subleasing program that provides for transparency and fairness, while addressing the interim nature of the Treasure Island subleases and the need to maximize revenues to support Island operations.

TIDA was not required to solicit bids for the subleasing of the gatehouse. Under TIDA's Rules and Procedures for the Use and Transfer of Real Property, TIDA can enter into month-to-month or shorter term subleases without prior announcement of the availability of the premises or any prior solicitation. In order to create a transparent process for these short-term month-to-month subleases, in 2007 the TIDA Board of Directors approved and adopted an Interim Subleasing Policy. The Interim Subleasing Policy delegates to TIDA's Director of Island Operations the authority to execute month-to-month subleases that are consistent with the parameters described in the Interim Subleasing Policy, including the minimum rent schedule approved by the TIDA Board of Directors. A copy of the Interim Subleasing Policy is enclosed with this letter.

In January of 2007, TIDA Staff commenced marketing the gatehouse for the operation of a market and deli. These marketing efforts included posting the availability of the site on CoStar.com, which is an on-line listing of properties that are available for lease and sale. The gatehouse property was listed for 20 months before TIDA executed a month-to-month sublease in August of 2008 for the operation of the market and deli in the gatehouse. The terms of the market and deli sublease are consistent with the Interim Subleasing Policy, including the approved minimum rent schedule

SF Kanko Photo Booth Sublease

You currently sublease the SF Kanko Photo Booth premises from TIDA under a month-to-month sublease dated December 1, 2007. The following are some key terms of the sublease:

Expiration Date:	November 30, 2008, subject to either party's right to terminate the Sublease for any reason on 30 days' notice
Rent:	\$515.00 per month
Permitted Use:	Retail sale of film, cameras and souvenirs and for no other purpose
Compliance with Laws:	Subtenant's use and operation of the premises must be in compliance with all applicable laws, including laws relating to health and safety.
Regulatory Approvals:	Subtenant is solely responsible for obtaining all authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the premises.

Over the past three months my staff has had numerous discussions with you regarding the future of your business on Treasure Island and the financial difficulties you have been experiencing.

Because of your long-standing presence on Treasure Island, we have worked in good faith and a spirit of cooperation to address your concerns and try and reach a mutually acceptable arrangement for your continued occupancy on Treasure Island.

In your October 22, 2008 letter to the TIDA Board of Directors, you state that you have lost more than 50% in sales since the opening of the market and deli in the gatehouse. In response to similar concerns expressed to TIDA Staff, we have made offers to reduce the rent and to improve signage for your store. However, as we have informed you, prior to recommending a rental reduction or other concessions to the TIDA Board of Directors, we need an accounting of historic and current sales to substantiate your claim. To date, you have not delivered the accounting requested. As part of these discussions, TIDA Staff has learned that you have been selling food, beverages and tobacco from the premises without the necessary City permits.

Mr. Liu, you must comply with the terms and conditions of your sublease. Your decision to offer merchandise that was not allowed by the terms and conditions of your sublease is a breach. Additionally, your failure to comply with your obligation to secure permits required by the City of San Francisco is also a serious breach of the sublease.

TIDA Staff is willing to work with you to address your legitimate business concerns; however, failure to follow the terms and conditions of your sublease and failure to obey the law are serious matters that must be addressed immediately. If you plan to continue to offer items that are not allowed by the terms of your sublease, then you must inform TIDA Staff of your plans and you must secure proof that you have current permits that allow you to sell the merchandise. Based on our review of your operation, you are required to secure the following permits, at a minimum:

Permits to sell candy, prepared foods, tobacco products and to act as a photographer solicitor. Other permits may be required. We encourage you to contact the appropriate departments of the City and County of San Francisco to ensure you are in compliance.

Your request for rent adjustment must be evaluated before any discussion can begin. The financial information described below must be submitted by December 31, 2008 to enable TIDA staff to review the information as a part of that evaluation.

1. A satisfactory accounting of past and current sales, including copies of business tax schedules for state and federal tax returns;
2. Proof of payment of required taxes and fees to the Assessor's Office of the City and County of San Francisco for each of the past two years;
3. A copy of the current Business Registration Certificate from the Office of the Treasure & Tax Collector for the City and County of San Francisco;
4. Proof of Possessory Taxes paid to the Assessors Office for the City & County of San Francisco.

Despite the ongoing sublease defaults and your disregard for the terms and conditions of your sublease, TIDA staff is willing to work with you to attempt to find a mutually satisfactory resolution of this matter. However, be aware that if you do not provide the requested information by December 31, 2008, or if we cannot reach a satisfactory resolution to bring your actions into

compliance with the terms and conditions of the sublease before close of business, Wednesday, December 31, 2008, your sublease may not be extended.

If you have any questions, please contact me at (415) 274-0669.

Sincerely,

Mirian Saez, Director of Island Operations

Enclosure – Interim Subleasing Policy

cc: Rich Rovetti, Deputy Director of Real Estate
Eileen Malley, Deputy City Attorney



TREASURE ISLAND DEVELOPMENT AUTHORITY

MIRIAN SAEZ

410 AVENUE OF THE PALMS,

DIRECTOR OF THE ISLAND OPERATIONS

ONE, 2ND FLOOR, TREASURE ISLAND

SAN FRANCISCO, CA 94130

(415) 274-0660 FAX (415) 274-0299

WWW.SFGOV.ORG/TREASUREISLAND

November 18, 2008

Mr. Steve Sarna
Wine Valley Catering
Treasure Island-410 Avenue of the Palms
Building One, Suite 201
San Francisco, CA 94130

Dear Steve,

On behalf of the Treasure Island Project Office, I would like to thank you for the donation of food and beverages for the Treasure Island Development Authority (TIDA) board meeting on November 12, 2008 at the newly renovated Treasure Island Library. The reception after the meeting was hosted by Wine Valley Catering as part of a marketing program to promote the Library on Treasure Island as a newly available venue for Special Events. The reception after the meeting was open to all members of public who attended the meeting, Treasure Island employees and TIDA Board members and staff.

TIDA Board Resolution #98-15-4/15 governs TIDA's ability to accept gifts and also gives the Director the authority to accept gifts valued at \$10,000 or less via written acknowledgment. I have reviewed the catering menu contract and understand the value of the reception to be \$1,485.37. Please let this letter serve as recognition and acknowledgment of said gift.

Thank you again for a great event and I look forward to working with Wine Valley Catering in the future.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mirian Saez", written over the word "Sincerely,".

Mirian Saez
Director of Island Operations
Treasure Island Development Authority

CC: Owen Stephens, TIDA Board President



rom,

George VAZHAPPALLY
Treasure Island Mini Mart,
301 G Macella Ct / YBNA /,
San Francisco, CA. 94130.



To

Richard Rovetti, Leasing Manager
Treasure Island Development Authority
410 Avenue of the palms.
San Francisco, CA. 94130.

Dear Sir/modam,

Ref: RFQ for Restaurant operation
on Treasure Island.

prudent business practices
prevent me from Responding to the RFQ.
The Minimum Requirements such as a
month to month lease and other adverse
terms & conditions would defer any
intelligent business person from Responding.

However, after you have exhausted your procurement resources/ Remedies to ^{Comply} come with a bid process, please consider issuing a sole source contract to me.

Upon notice of your interest to enter in to sole source negotiations, I will provide all required documents with in 10 business days.

In addition I will let my attorneys review the sublease as part of negotiation process.

I look forward to your response.

12/23/08,
Treasure Island.

Sincerely yours.
Joey Vazheppally
Joey Vazheppally

San Francisco International Airport

P.O. Box 8097
 San Francisco, CA 94128
 Tel 650.821.6700
 Fax 650.821.6777
www.sfoArts.org

December 4, 2008

Ms. Patricia A. McFadden, P.E.
 BRAC Caretaker Site Office Team Leader
 Munitions Project Manager
 Base Realignment and Closure
 Program Management Office, West
 410 Palm Avenue, Building 1, Suite 161
 San Francisco, CA 94130-1806

Re: TIDA/SFO exhibition loan request

Dear Ms. McFadden:

Enclosed for your review are the loan documents for U.S. Navy collection objects we are requesting to use in the exhibition, *Flying to the Fair: Aviation and the Golden Gate International Exposition*, being presented at San Francisco Airport Museums in collaboration with the Treasure Island Development Authority.

Please make any changes as needed, assign individual insurance values to each object, sign the cover sheet of both sets, and return both sets. A countersigned form will be forwarded for your records and our Registration Department will schedule packing and shipping. All insurance, packing, and shipping costs will be assumed by the Airport.

I can be reached at 650.821.6759 should any questions arise. Thank you very much for making this exhibition possible.

Sincerely,



John H. Hill
 Curator-in-Charge of Aviation

JHH:mv

Enc.: SASE

cc: Kenn Yazzie, SFO
 Peter Summerville, TIDA

AIRPORT
 COMMISSION
 AND COUNTY
 N FRANCISCO
 VIN NEWSOM
 MAYOR
 RY MAZZOLA
 PRESIDENT
 DA CRAYTON
 CE PRESIDENT
 CARYL ITO
 ANOR JOHNS
 GUGGENHIME
 HN I. MARTIN
 RT DIRECTOR

San Francisco
 Airport Museums
 San Francisco
 International Airport







kara marie lander
<karafaerie@hotmail.com>
12/15/2008 01:21 PM

To Mirian Saez <mirian.saez@sfgov.org>, Marianne Thompson
<marianne.thompson@sfgov.org>
cc
bcc
Subject Resource Guide for Treasure Island

Mirian and Marianne:

I wasn't sure who to write on this, so I figured I would send the kudos to both of you on the great new Resource Guide for Treasure Island that I just got.

What a great idea, and a great place to turn to for residents like myself when there are issues. It is sometimes difficult to figure out who needs to be contacted for various issues on the island, and this guide clarified things for me immensely.

Thank you again for putting this together and making this happen, I've got a copy hanging up on my bulletin board at home already, and know that it will be a useful tool.

Kara

Send e-mail faster without improving your typing skills. [Get your Hotmail® account.](#)



TIHDI

Treasure Island Homeless Development Initiative

November 4, 2008

Ms. Mirian Saez
Treasure Island Development Authority
410 Palm Ave, 2nd Floor
San Francisco, CA 94130




Dear Ms. Saez:

Thank you so very much for your generous in-kind donation which allowed us the use of the Great Lawn for the 10th Annual Treasure Island Community Day Festival held on October 25, 2008. Your support contributed to our efforts to build a new San Francisco neighborhood that includes people from all socio economic backgrounds—both for today and for tomorrow.

It was a great day on the Great Lawn, with children of all ages enjoying everything from craft booths, to face painting & fun children activities, to a variety of music styles and delicious food. Beautiful weather, spectacular views and great company made it yet another successful event. We really couldn't have done it without your support. Thank you!

Sincerely,



Sherry Williams
Executive Director

TIHDI is a non-profit organization. Your donation is tax deductible. TIHDI's federal tax ID # is 94-3280624.

410 Palm Ave., Bldg. 1, Room 166
San Francisco, CA 94130
415-274-0311
www.tihdi.org

THE HISTORY OF THE

1



THE HISTORY OF THE

THE HISTORY OF THE

Treasure Island Job Corps Center



Avenue, Bldg. 442
Treasure Island
San Francisco, California 94130

Phone: 415.277.2400
Fax: 415.705.1776

November 12, 2008



Treasure Island Development Authority
Treasure Island Project Office
410 Avenue of Palms
Building 1, 2nd Floor
Treasure Island
San Francisco, CA 94130
Attn: Mirian Saez, Director of Island Operations

Dear Ms. Mirian Saez:

On October 23, 2008, Treasure Island Job Corps informed TIDA that we will not renew our lease that expires on November 30, 2008. After discussion with your staff we understand that it will be helpful if we continue through December 31, 2008. Our hopes are that by doing so, it will allow TIDA the opportunity to find another firm to take over the food service operation at Cooks Cafe.

We intend to keep services open to the public until December 17th at which point our trainees leave for winter break at that time. Therefore, we would have no manpower to sustain service operations after that date. We will then transition out of the property during the second half of the month.

Thank you again for the opportunity to provide a valuable work based learning site to our trainees.

Sincerely,

Benjie Williams,
Center Director

Concurrence with Addendum: _____

Ms. Mirian Saez, TIDA

Date: _____

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An Equal Opportunity Employer



TREASURE ISLAND DEVELOPMENT AUTHORITY-OPERATIONS
FISCAL YEAR 2008-2009 EXPENDITURES REPORT
AS OF DECEMBER 31, 2008

	TIDA BUDGET-OPERATIONS			
	TOTAL EXPENDITURES			AVAILABLE
	TOTAL	ACTUAL	OUTSTANDING	BALANCE
	BUDGET FY 08-09	EXPENDITURES FY 2008-2009	P.O. BALANCES	SURPLUS/ (DEFICIT)
ADMINISTRATION				
TOTAL TRAVEL COSTS FOR TRAINING & CONFERENCES	\$ 5,000.00	\$ 2,590.00	\$ -	\$ 2,410.00
TOTAL TRAINING COSTS	\$ 8,000.00	\$ 4,030.00	\$ -	\$ 3,970.00
TOTAL LOCAL FIELD EXPENSES	\$ 750.00	\$ 369.00	\$ -	\$ 381.00
TOTAL MEMBERSHIP FEES	\$ 4,000.00	\$ 760.00	\$ -	\$ 3,240.00
TOTAL PROMOTIONAL AND MARKETING EXP	\$ 15,000.00	\$ 3,606.00	\$ 2,384.00	\$ 9,010.00
TOTAL DELIVERY AND POSTAGE (OTHER CURRENT EXP)	\$ 21,200.00	\$ 6,067.00	\$ -	\$ 15,133.00
TOTAL OFFICE RENTAL AND LEASED EQUIPMENT	\$ 30,000.00	\$ 7,224.00	\$ 4,892.00	\$ 17,884.00
TOTAL OFFICE MATERIALS & SUPPLIES	\$ 16,000.00	\$ 4,954.00	\$ 1,326.00	\$ 9,720.00
TOTAL ADMINISTRATION	\$ 99,950.00	\$ 29,600.00	\$ 8,602.00	\$ 61,748.00
TOTAL OTHER CURRENT EXPENSES	\$ -	\$ 16,212.00	\$ 1,425.00	\$ (17,637.00)
PROFESSIONAL & SPECIALIZED SVCS				
TREASURE ISLAND BOYS & GIRLS CLUB HOUSE	\$ 140,000.00	\$ 58,580.00	\$ 81,420.00	\$ -
TIDI-OPERATING CONTRACT	\$ 175,000.00	\$ 70,392.00	\$ 104,608.00	\$ -
TI GYM OPERATIONS YMCA	\$ 150,000.00	\$ -	\$ -	\$ 150,000.00
MARINE SALVAGE	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00
GOLDEN GATE EXPO ANNIVERSARY PRODUCTION	\$ 200,000.00	\$ -	\$ -	\$ 200,000.00
SPECIAL EVENTS STAFF	\$ 7,500.00	\$ -	\$ -	\$ 7,500.00
COMMUNITY BENEFIT FUND	\$ 74,000.00	\$ -	\$ -	\$ 74,000.00
SCAVENGER SERVICES (GOLDEN GATE DIPSOAL)	\$ 25,000.00	\$ 8,214.00	\$ 11,786.00	\$ 5,000.00
JANITORIAL SERVICES (TOOLWORK)	\$ 150,000.00	\$ 48,335.00	\$ 101,665.00	\$ -
GROUND MAINTENANCE (RUBICON)	\$ 850,000.00	\$ 413,916.00	\$ 436,084.00	\$ -
TIDA DIRECTORS LIABILITY INSURANCE	\$ 51,245.00	\$ -	\$ -	\$ 51,245.00
TOTAL PROFESSIONAL & SPECIALIZED SVCS	\$ 1,842,745.00	\$ 599,437.00	\$ 735,563.00	\$ 507,745.00
TOTAL UNPLANNED PROFESSIONAL SERVICES	\$ -	\$ 65,135.00	\$ 22,863.00	\$ (87,798.00)
TOTAL OTHER PROFESSIONAL EXPENSES	\$ -	\$ 10,026.00	\$ 15,143.00	\$ (25,169.00)
TOTAL FACILITIES MAINTENANCE (CAPITAL IMPROV)	\$ 810,000.00	\$ 687,428.00	\$ -	\$ 473,699.00
CITY DEPARTMENT WORK ORDERS				
DTIS SERVICES	\$ 15,524.00	\$ 6,468.00	\$ 9,056.00	\$ -
WI-FI PROJECT	\$ 33,762.00	\$ 35.00	\$ 33,727.00	\$ -
RISK MANAGEMENT	\$ 127,525.00	\$ -	\$ 127,525.00	\$ -
GENERAL SERVICES AGENCY	\$ 1,073,602.00	\$ 365,737.00	\$ 707,865.00	\$ -
CITY ATTORNEY	\$ 200,000.00	\$ 26,919.00	\$ 173,081.00	\$ -
GF-TIS-TELEPHONE(A)	\$ 17,984.00	\$ 5,366.00	\$ 12,618.00	\$ -
HR-MNGT TRAINING	\$ 3,000.00	\$ -	\$ 3,000.00	\$ -
CENTRAL SHOPS AUTO MAINT	\$ 3,000.00	\$ 1,368.00	\$ 1,632.00	\$ -
CENTRAL SHOPS FUEL	\$ 2,000.00	\$ 878.00	\$ 1,122.00	\$ -
REPRODUCTION	\$ 25,000.00	\$ 642.00	\$ 24,358.00	\$ -
EMERGENCY COMMUNICATIONS (Community Benefit Fund)	\$ 70,000.00	\$ -	\$ 70,000.00	\$ -
PUC-HETCHY HETCHY (\$550K Utilities, \$300K Generators, \$100K MOU)	\$ 950,000.00	\$ 184,465.00	\$ 765,535.00	\$ -
PUC-LIGHT HEAT AND POWER (Capital Improvement Projects)	\$ 30,000.00	\$ -	\$ 30,000.00	\$ -
DPW-BUILDING REPAIR	\$ 1,165,562.00	\$ 498,170.00	\$ 667,392.00	\$ -
SR-DPW-ENGINEERING	\$ 30,000.00	\$ 944.00	\$ 29,056.00	\$ -
DPW-CONSTRUCTION MANAGEMENT	\$ 20,000.00	\$ 135,434.00	\$ 384,311.00	\$ -
TOTAL CITY DEPARTMENT WORK ORDERS	\$ 3,766,959.00	\$ 1,226,426.00	\$ 3,040,278.00	\$ -
PROTECTIVE SERVICES	\$ 4,541,223.00	\$ 1,342,244.00	\$ 3,198,979.00	\$ -
TOTAL FOR FISCAL YEAR 2008-2009	\$ 11,060,875.00			
CARRYFORWARD FROM FY 2007-2008				
PROMOTIONAL AND MARKETING EXP	\$ 6,483.00	\$ 6,241.00	\$ -	\$ 242.00
TI GYM OPERATIONS YMCA	\$ 178,460.00	\$ 74,964.00	\$ 103,496.00	\$ -
SPECIAL EVENTS STAFF	\$ 28,632.00	\$ -	\$ 28,632.00	\$ -
PUC-HETCHY HETCHY (CARRY FORWARD)	\$ 109,973.00	\$ -	\$ 109,973.00	\$ -
DPW-BUILDING REPAIR (CARRY FORWARD)	\$ 116,322.00	\$ 8,801.00	\$ 107,521.00	\$ -
DPW-CONSTRUCTION MANAGEMENT (C/FORWARD)	\$ 6,563.00	\$ -	\$ 6,563.00	\$ -
TOTAL CARRYFORWARD FROM FY 2007-2008	\$ 446,433.00	\$ 90,006.00	\$ 356,185.00	\$ 242.00



**TREASURE ISLAND DEVELOPMENT AUTHORITY
FISCAL YEAR 2008-2009 REVENUES REPORT
AS OF DECEMBER 31, 2008**

	BUDGET	ACTUAL	BALANCE
TI SPECIAL EVENTS REVENUES	\$ 671,150.00	\$ 374,297.00	\$ 296,853.00
TI COMMERCIAL REVENUES	\$ 864,400.00	\$ 497,462.00	\$ 366,938.00
TI FILM REVENUES	\$ 30,000.00	\$ 7,300.00	\$ 22,700.00
YBI FILMING/CELLSITES/BANNER REVENUES	\$ 323,400.00	\$ 124,459.00	\$ 198,941.00
MARINA REVENUES	\$ 186,635.00	\$ 76,455.00	\$ 110,180.00
TI HOUSING REVENUES	\$ 4,723,805.00	\$ 2,909,939.00	\$ 1,813,866.00
YBI HOUSING REVENUES	\$ 768,991.00	\$ 388,441.00	\$ 380,550.00
JSCO CAM REVENUES	\$ 339,608.00	INCLUDED	\$ 399,608.00
JSCO BASE RENT	\$ 548,686.00	INCLUDED	\$ 548,686.00
SFFD TRAINING ACADEMY	\$ 1,800,000.00	\$ 450,000.00	\$ 1,350,000.00
COMMUNITY BENEFITS C/F FROM FY 2007-08	\$ 144,000.00	\$ -	\$ 144,000.00
CARRY FORWARDS FROM FY 2007-2008	\$ 300,000.00	\$ -	\$ 300,000.00
CARRY FORWARDS FROM FY 2005-2006	\$ 314,000.00	\$ 314,000.00	\$ -
TOTAL REVENUES	\$ 11,014,675.00	\$ 5,142,353.00	\$ 5,872,322.00





CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY

410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



GAVIN NEWSOM, MAYOR

NOTICE OF MEETING CANCELLATION

Please note that the January 6th meeting of the Treasure Island/ Yerba Buena Island Citizens Advisory Board (CAB) has been cancelled.

The next meeting is scheduled for February 3rd, 2009, at 6:00 at San Francisco City Hall, room 305. 1 Dr. Carlton B. Goodlett Pl, San Francisco, Ca, 94102

Please contact Andrea Bruss at (415)554-6661 with any questions.

MEETING AGENDAS AVAILABLE ON E-MAIL

If you would like to receive TICAB meeting agendas by e-mail, please send your name and e-mail address to TICAB@sfgov.org.

Disability Access

The Treasure/Yerba Buena Island Citizen Advisory Board meets on Treasure Island in Building 442, City Hall, 1 Dr. Carlton Goodlett Place or at the San Francisco Redevelopment Agency. All buildings are accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 or 274-0660 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.



December 17, 2008

CERTIFICATION OF ELECTION RESULTS
Treasure Island / Yerba Buena Island
Citizen Advisory Board (CAB) Election

I, John Arntz, as the Director of the Department of Elections for the City and County of San Francisco, hereby certify that this office has completed the counting of ballots for the 2008 Treasure Island / Yerba Buena Island CAB Election.

Ballot for At Large Residential Tenant

Mark Connors-48
Atta Pilram-18 (won by lot drawn on 12/17/08)
Jacqueline Udin-18
Ken Masters-12
Christopher Opperman-9
Michael Trujillo-8
George Vazhappally-8
Michael Oda-3

Ballot for Low to Moderate Income Residential Tenant

Joanna Luddington-36
Rebecca Hogue-33
Bradley Tanzman-31
Terrie DiPaolo-16

Therefore, I hereby affix my hand and seal to this certificate of election on this 17th day of December 2008.

Respectfully,

A handwritten signature in black ink, appearing to read "John Arntz", written over a circular embossed seal.

John Arntz
Director of Elections











DRAFT Minutes of Special Meeting
Treasure Island Development Authority
November 12, 2008

Building 265, "The Library"
Treasure Island
San Francisco, CA

Gavin Newsom, Mayor

1. Call to Order

6:17 P.M.

Roll Call

Present

Owen Stephens, President
John Elberling, CFO, Secretary
Jared Blemenfeld
Douglas Shoemaker

Excused

John Rahaim
Fred Blackwell
Supervisor Chris Daly

2. Consent Agenda

There was no public comment.

Director Shoemaker motioned for approval.

The Consent Agenda was moved unanimously

3. Resolution Authorizing the Director of Island Operations to Issue a Request for Qualifications for the Operation and Management of a Full Service Restaurant and Bar located at Building 183, the Café, Treasure Island

Mr. Rich Rovetti, Treasure Island Development Authority, discussed the history of Building 183, the Café, most recently operated by The Job Corps who chose to close it after December 18, 2008. He pointed out the need for a restaurant on the Island and outlined a basic timetable to receive and act upon requests to operate the facility, with final approval by the board. Director Elberling asked about the number of patrons – 50 – but Mr. Rovetti said the plan was to utilize the surrounding area. Director Blumenfeld asked about need for improvement. Mr. Rovetti pointed out that improvements had been made in December 2007, so he did not see the need for major improvements. Director Stephens voiced his approval for the RFQ process as the way to go so that the subtenant would "take ownership" for the Café.

Public comment brought approval from Atta Pilram, a YBI resident and member of the Yacht Club.

Director Blumenfeld motioned for approval.

Director Elberling seconded the motion.

The Resolution was moved unanimously.

4. Director's Report

Ms. Mirian Saez, Director of Island Operations, reported on the 29th Annual Exotic Erotic Ball, which was held in Hangar 3 in October. She noted that the event would not be repeated next year for several reasons: failure to meet its financial obligations to TIDA, failure to execute its transportation plan, and complaints from residents, sign ordinance advocates and labor unions. She reported back to the Board a response to Director Elberling's concern raised at the previous meeting about the potential fire hazard of the eucalyptus trees on YBI. She said that in checking with the California Public Resources Code, TIDA's plans were in compliance with Section 4291 Code recommendations.

Director Saez reported an unanticipated expense associated with 1) the Oracle event due to delay in the Navy remediation work (\$44,000) and with 2) a higher cost for the Board-approved demolition of Buildings 7 and 92 (\$150,000).

DPW has begun to refurbish eight of the MUNI bus shelters. TIDA is looking to purchase used bus shelters because MUNI wants to charge \$46,000 annually to maintain new shelters, and this was not budgeted.

Two recent events noted were the Mill Valley Philharmonic, which gave a free concert in Building One on November 1st to commemorate the Public Works Administration of the Great Depression. Building One is a WPA-build structure. The second was a visit from the Institute of International Education, where TIDA hosted to dignitaries from Poland who were interested in the relationship between TI and the City and how the military transfer is being conducted. She also reported on an upcoming exhibit in Building One Lobby by the Treasure Island Museum Association.

Finally, Director Saez reported two new subleases which would generate an additional \$50,000 annually. She then introduced Captain Daniel McDonough of the Southern Station.

He reported the SFPD also did not get paid for the Exotic Erotic Ball. Police Community meeting held at Casa del la Vista last month and that there was a good exchange at the previous evening's Neighborhood meeting. He noted that there are no spikes in crime on TI and that it is now lower than it had been in three years. Project Safe will consult with "Neighborhood Watches" program.

There was no public comment on either the Director's report or the Captain's report.

Director Rahaim arrived at the meeting at 6:37 P.M.

5. General Public Comment

Lavina Desolvis and Debra Eberhart from the Boys & Girls Club discussed youth programs for children ages 6 to 18. The Club is now open on Saturdays for athletic programs for teens. The program stress education. The Boys & Girls Club have been able to hire three Credential tutors who work with students one-on-one, as well as an hourly Homework Club. They have a weekend field trip and there is a summer camp program.

Mark Connors, Good Neighbors, have developed by-laws and will have election of officers in March, as well as applying for non-profit status. Three projects: Island Resource Guide; pilot program creating on-line quality of life problem that is generated to TIDA (secondary source); Project Porch Light which replaces light bulbs with more energy-efficient bulbs and is in run in tandem with encouraging people to be pro-active in improving their quality of life – get out, meet people, pick up trash, etc. He also expressed the need for a concise guide to help residents with their concerns about the upcoming redevelopment and its impact on their lives.

David Hammond, a resident of San Francisco, spoke about the sustainable wastewater treatment. He recommended TIDA review the plans for such a system, look at new technology, make a presentation at a future meeting, and expressed a willingness to work with Staff on this. A copy of his remarks is contained under the “Communications” section of the Agenda.

Ruth Grevannis expressed her pleasure that the Library was saved, but said she noted that the pedestrian path was not lit.

Toni Regarten, an Island resident, said she was experiencing better response from John Stewart Co. and talked about a burglary in June 2008. She expressed concerns with things like garbage, unsightly bus stops, and said she hoped everyone would remember those who live on the Island.

Debra Williams, an Island resident, thanked everyone for the well-run triathlon and the TIHDI community event. She said she was not sure if residents would be displaced during redevelopment process. Director Saez said that the plan had not been finalized but that the intent is that residents will be here during the development.

Atta Pilram of YBI expressed concern about the eucalyptus trees. He said the TIDA quote of \$2000/tree removal was well over the \$600/tree he had been giving. He expressed feeling that trees closest to resident housing should be removed. He also mentioned a petition about parking that has not been responded to by John Stewart Co.

Abdo Nassar of Island Deli & Market expressed delight in being on the Island.

Director Shoemaker left meeting at 7:12 P.M.

6. Report by Office of Joint Development

Mr. Jack Sylvan mentioned the upcoming election of Citizen Advisory Board. The Board of Supervisors approved the Amendment of Survey Boundaries. The Amendment of the Preliminary Plan is scheduled to go before the Planning Commission on November 20, 2008. He expressed optimism that the new Administration in Washington will offer a better opportunity to negotiate a property transfer with the Navy, but that the time frame will be delayed slightly due to the transition. He does not see any resident movement in 2009. He said his office is open to answer any questions about the redevelopment plans and suggested giving a presentation at upcoming meeting to answer residents' questions. He also said he would discuss at a subsequent meeting the regional sports complex proposed in the project plans relative to their location on what will become Tidelands Trust property.

Director Blumenfeld asked if the federal legislation talked about in previous meetings had gone through; Mr. Sylvan said that it had not and that negotiations will continue with Navy. He foresees there being a term sheet in place by this time next year. There was no public comment.

7. Communications

Mr. Peter Holm, Commission Secretary, noted some additional items not contained in the Board Agenda package. They were: Island Resource Guide and a letter to Rex Liu, owner of SF Kanko.

8. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board

Karen Knowles-Pierce said there was no November meeting. She expressed the concern about possible displacement for residents.

There was no public comment.

9. 9. Informational Presentation: Treasure Island/Yerba Buena Island Citizens Advisory Board Resident Elections

Mr. Michael Tymoff, Office of Economic and Workforce Development, talked briefly about the upcoming election for residents of Treasure Island and Yerba Buena Island to serve on the Citizens Advisory Board. The election will be held December 16, 2008 at the Ship Shape building and an informational meeting on November 18, 2008 – also at the Ship Shape.

The TI/YBI CAB has 25 members with 14 appointed by the Mayor and 11 by the Board of Supervisors. The four seats will be inclusive, not in addition to the 25 members, and will serve on the CAB, for as long as it remains in effect.

Director Blumenfeld expressed concern that low- and moderate-income members would not be stigmatized

There was no public comment.

10. Informational Presentation: Proposed Regulation of Vessel Anchorage in Clipper Cove

Peter Summerville, Treasure Island Development Authority, discussed need for regulations because boats are being abandoned or left for long periods of time. TIDA has spent \$30,000 in the past two years removing sunken, unsupervised abandoned vessels. Staff has been working with the SFPD Marine Unit and the City Attorney's Office to amend the police code to require a permit to anchor in Clipper Cove. This would allow the Marine Unit to cite offenders.

Director Elberling asked if Marine Unit could ask to see permit; Mr. Summerville said they could. He asked about Coast Guard participation. Mr. Summerville said it was a secondary presence.

Director Rahaim asked about day visitors and Mr. Summerville said permit is triggered by overnight mooring.

Director Saez noted that there are six to eight vessels that have not moved in more than two years and reemphasized this is designed to penalize only those not playing by the rules yet allow for visitors to come and go easily.

There was no public comment.

11. Ongoing Business by Directors

There was no ongoing business from the Directors.

12. Discussion of Future Agenda Items

There was no discussion of future agenda items by the Directors.

13. Adjourn

Director Stephens adjourned the meeting at 7:25 P.M at which time he announced a reception that followed the meeting in Building 265.

AGENDA ITEM 8B
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 8B

January 14, 2009

Subject: Authorizing the Director of Island Operations to Execute an Extension of the Loan Agreement with the Fine Arts Museums of San Francisco for the Temporary Loan of the Miguel Covarrubias Mural "The Flora and Fauna of the Pacific" (*Action Item*)

Staff Contact/Phone: Mirian Saez, Director of Island Operations
(415) 274-0660

SUMMARY OF PROPOSED ACTION

This item seeks the approval of the Board of Directors of the Treasure Island Development Authority ("Authority") to execute an Extension of the Loan Agreement with the Fine Arts Museums of San Francisco ("FAMSF") for the purposes of extending the temporary loan and allowing for continued public exhibition of the Miguel Covarrubias mural "The Flora and Fauna of the Pacific", one of the murals which makes up the "Pageant of the Pacific" mural set, at the deYoung Museum in San Francisco to 2012.

BACKGROUND

In May, 2008, FAMSF approached Project Office staff to request a loan of the individual mural "The Flora and Fauna of the Pacific", one of the murals which make up the Authority's "Pageant of the Pacific" mural set, painted by famed Mexican muralist Miguel Covarrubias at the 1939 Golden Gate International Exposition. FAMSF requested to display the mural to the public in the deYoung Museum's Latin American wing from June 2008 through February of 2009.

At its June 11, 2008 meeting, the Authority approved the temporary loan of "Flora and Fauna" to FAMSF. The mural has since been on public display in the deYoung's Latin American wing, where it has enjoyed an enthusiastic public reception. FAMSF, with assistance from Wells Fargo, has covered all costs associated with the transport, installation, exhibition and insurance of the mural. FAMSF staff indicates that the mural, which depicts the native flora and fauna of the Pacific region, serves as an engaging teaching tool for school groups visiting the Museum.

As the initial loan period is set to expire in February of 2009, and due to the mural's popularity and positive public reception, FAMSF has requested to extend the loan of "Flora and Fauna" through February of 2012, in order to allow continued display of the mural uninterrupted for an additional three years in the Latin American Gallery of the

deYoung. FAMSF will continue to honor all terms of the original Loan Agreement throughout the term of the Extension, including payment of all costs associated with display, insurance and security of the mural.

RECOMMENDATION

Staff recommends approval of the Extension to the Loan Agreement.

EXHIBITS

- A** Extension of Loan Agreement between the Authority and the Fine Arts Museums of San Francisco
- B** Photograph of "The Flora and Fauna of the Pacific" on display at the deYoung Museum, Summer 2008

Prepared by Peter Summerville
for Mirian Saez, Director of Island Operations

[Loan of a Miguel Covarrubias Mural to the Fine Arts Museums of San Francisco]

Authorizing the Director of Island Operations to Execute an Extension to the Loan Agreement with the Fine Arts Museums of San Francisco for the Temporary Loan of the Miguel Covarrubias Mural "The Flora and Fauna of the Pacific".

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

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WHEREAS, On March 29, 2001, the Authority approved a resolution accepting as a gift from the Port of San Francisco five Miguel Covarrubias murals collectively titled "Pageant of the Pacific" (the "Murals"); and,

WHEREAS, At its June 11, 2008 meeting, the Authority approved the temporary loan of "Flora and Fauna" to The Fine Arts Museums of San Francisco ("FAMSF") for the purpose of publicly displaying "Flora and Fauna" at the deYoung Museum from June 2008 through February of 2009; and,

WHEREAS, FAMSF has requested an extension of the Loan through February of 2012 in order to allow for continued public display of the mural at the deYoung Museum; and

WHEREAS, Under the terms of the Extension, FAMSF shall continue to cover all costs related to the transportation, insurance, handling and display of the Murals throughout the term of the Extension; now therefore be it,

RESOLVED, That the Authority hereby authorizes the Director of Island Operations or her designee to execute the Extension to the Loan Agreement in substantially the form attached hereto as Exhibit A with the FAMSF for continued temporary loan of the Miguel Covarrubias Mural "The Flora and Fauna of the Pacific"; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Loan Agreement that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce

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the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the
Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling, Secretary

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FINE ARTS MUSEUMS OF SAN FRANCISCO

LOAN AGREEMENT

☐ Legion of Honor
Lincoln Park, San Francisco, CA 94121
415 750 3600, 415 750 3656 Fax

☒ de Young, 50 Hagiwara Tea Garden Dr.
San Francisco, CA 94118
415 750 3680, 415 750 7692 fax

Document No: 5852

Exhibition: de Young Museum 6/1/08 - 2/28/12.

Depositor: Treasure Island Development Authority
410 Avenue of Palms, Building 1, 2nd Floor
San Francisco, CA 94130 USA
415-274-0665

Credit Line:
(for label)

SAME AS PREVIOUS LOAN AGREEMENT

INSURANCE: Do you wish the Fine Arts Museums of San Francisco to insure your art object? ☒ Yes ☐ No

If Yes, state insurance value above. (FAMSF is prepared to insure art objects on your behalf for this amount only while objects are in our care, custody or control.)

If No, and you prefer to maintain your own insurance coverage, please estimate premium per month: \$

PACKING AND SHIPMENT:

LOANS ARE TO REACH THE

MUSEUM BY DATE OF

VIA:

Packing & transportation costs of this loan will be assumed by:

PLEASE COMPLETE INFORMATION FOR MUSEUM RECORDS ON BOTH SIDES OF FORM

EG NO.	MAKER/COUNTRY	TITLE/DESCRIPTION	VALUE
08.52.1-12 387282	Miguel Covarrubias (Mexican) 1904 - 1957	The Fauna and Flora of the Pacific (from the Pageant of the Pacific murals, 1939 Treasure Island Exposition), 1939 lacquer fresco on masonite, 456.6 x 727.7 cm (179 3/4 x 286 1/2 in.) Treasure Island Development Authority	\$ 1,500,000

TIDA copy

ADDITIONAL HISTORY OF THE LOANED OBJECT: Please attach to all copies of this loan form a typed sheet giving any information available in the following categories:

PROVENANCE (History of Ownership)

PREVIOUS EXHIBITIONS

ILLUSTRATIONS, REFERENCES, BIBLIOGRAPHY

NOTES ON PHYSICAL CONDITION (If not enough space on the face of this form)

CONDITIONS GOVERNING LOAN

1. The Fine Arts Museums of San Francisco, the Borrower, will exercise the same CARE OF LOANS, as it does in the safekeeping of its own property. It is understood that the object covered on this loan shall remain in the same condition in which it was received. It shall not be cleaned, repaired, retouched or altered in any way whatsoever except with the WRITTEN PERMISSION of the Lender. Damages, whether in transit or on the premises of the borrowing institutions, and regardless of who may be responsible shall be reported to the Lender immediately.

2. LOANS WILL BE RETURNED only to the Owner or Lender or to his or her duly authorized agent or representative, or, in the event of the death of the Owner or Lender, to the duly authorized legal representative of the estate of the Owner or Lender. It is incumbent upon the Lender to notify The Fine Arts Museums of San Francisco of any changes of address of the Lender or Owner, or of the duly authorized legal representatives to whom correspondence should be sent.

3. INSURANCE: Unless the Lender expressly elects to maintain his/her own insurance, The Fine Arts Museums of San Francisco will insure this loan "wall-to-wall" under its fine arts policy, in the amount indicated on the face of this form, against all risks of physical loss or damage from any external cause while in transit and during residence at the Museum or museums throughout the period of this loan. Note: The Fine Arts Museums will not insure against earthquake damage, or damage caused as a result of earthquake.

The policy referred to contains limitations for acts of God and the usual exclusions for loss or damage due to wear and tear, gradual deterioration, moths, vermin, inherent vice, or damage sustained due to and resulting from any repainting, restoration or retouching process, or due to such causes as hostile or wartime action in time of peace or war, atomic, nuclear or radioactive force, reaction or contamination, insurrection, rebellion, revolution, civil war, usurped power, action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulation, confiscation by order of any governmental or public authority, or risks of contraband or illegal transportation of trade.

IF THE LENDER ELECTS TO MAINTAIN HIS/HER OWN INSURANCE, the Borrower, The Fine Arts Museums of San Francisco, can accept no responsibility for any error or deficiency in information furnished to or by the Lender's insurers, nor for lapses in coverage. In this case we must receive either a Certificate of Insurance naming The Fine Arts Museums of San Francisco as "Additional Insured," or a "Waiver of Subrogation" executed by the Lender.

THIS DOCUMENT CONSTITUTES AN OFFICIAL LOAN AGREEMENT
SIGNATURE OF THE LENDER OR AUTHORIZED AGENT OF THE LENDER OR LENDING INSTITUTION
WILL ACKNOWLEDGE ACCEPTANCE OF THE CONDITIONS NOTED ABOVE.

STEVEN F. CORRELL, ASST. REGISTRAR

Steven F. Correll

BORROWER (Authorized Signature)

Please type NAME & TITLE:

DATE: 11/14/08

LENDER (Authorized Signature)

Please type NAME & TITLE:

DATE: 12/4/08

Please SIGN & return all copies to FAMSFP Registrar



EVIDENCE OF INSURANCE
CITY AND COUNTY OF SAN FRANCISCO
Fine Arts Museums of San Francisco

California Palace of the Legion of Honor
100 - 34th Avenue, San Francisco, CA 94121

M.H. de Young Museum
50 Tea Garden Drive, Golden Gate Park
San Francisco, CA 94118

Effective Date: *MARCH 4, 2008*

To: *MARCH 4, 2012* At 12:01 am Local time

Note: This is not a policy of insurance but it is furnished as evidence of coverage by the insurance contract(s) identified below, subject to annual renewal and change by endorsement. This Evidence does not increase the amount of insurance provided by said contract(s).

Additional Interest

*TREASURE ISLAND DEVELOPMENT AUTHORITY
110 AVENUE OF PALMS, BUILDING 1, 2ND FLOOR
SAN FRANCISCO, CA 94130*

THIS IS TO CERTIFY that the ADDITIONAL INTEREST is a Loss Payee under the Contract(s) identified below which will be in effect for the period specified above insuring the ADDITIONAL INTEREST the amount set forth with respect to each object insured as listed and valued hereon or on the attached listing of objects insured, while said objects are not in the care, custody or control of the Insured. Subject to the conditions, exclusions and limitations contained therein, this insurance covers said property on the "wall to wall" basis against all risks of physical loss or damage from any external cause except wear and tear, gradual deterioration, inherent vice, or damage sustained due to, or resulting from, any repairing, restoration or retouching process.

OBJECT NUMBER

DESCRIPTION OF PROPERTY

AMOUNT OF INSURANCE

LOB. 52. 1-12

*"THE FAUNA AND FLORA OF THE PACIFIC" #1,500,000.00
MIGUEL COVARRUBIAS
179.75 INCHES X 286.5 INCHES*

THIS INSURANCE IS SUBSCRIBED BY THE FOLLOWING INSURER (S):

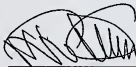
LLOYDS OF LONDON POLICY NOS. A0783192/B0783195

AXA ART INSURANCE CORPORATION POLICY NO. 02-333-04-02-00206

Insurance Broker: Alliant Insurance Services
600 Montgomery Street, Suite 9th Floor
San Francisco, CA 94111
Tel. 415-403-1400
Fax 415-402-0773

Authorized By: 

Nancy Johnston-Bellard
Deputy Director
Risk Management Division

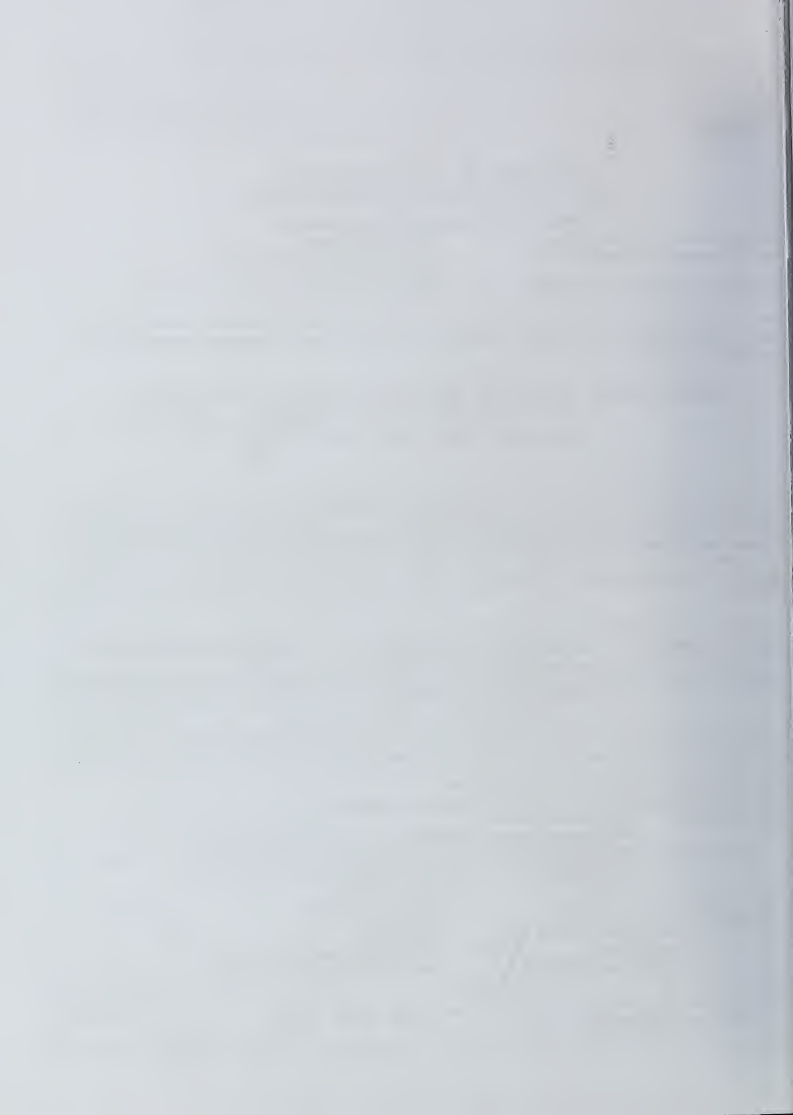


Therese Chen
Director of Registration
Fine Arts Museums of San Francisco

11/14/08
Date

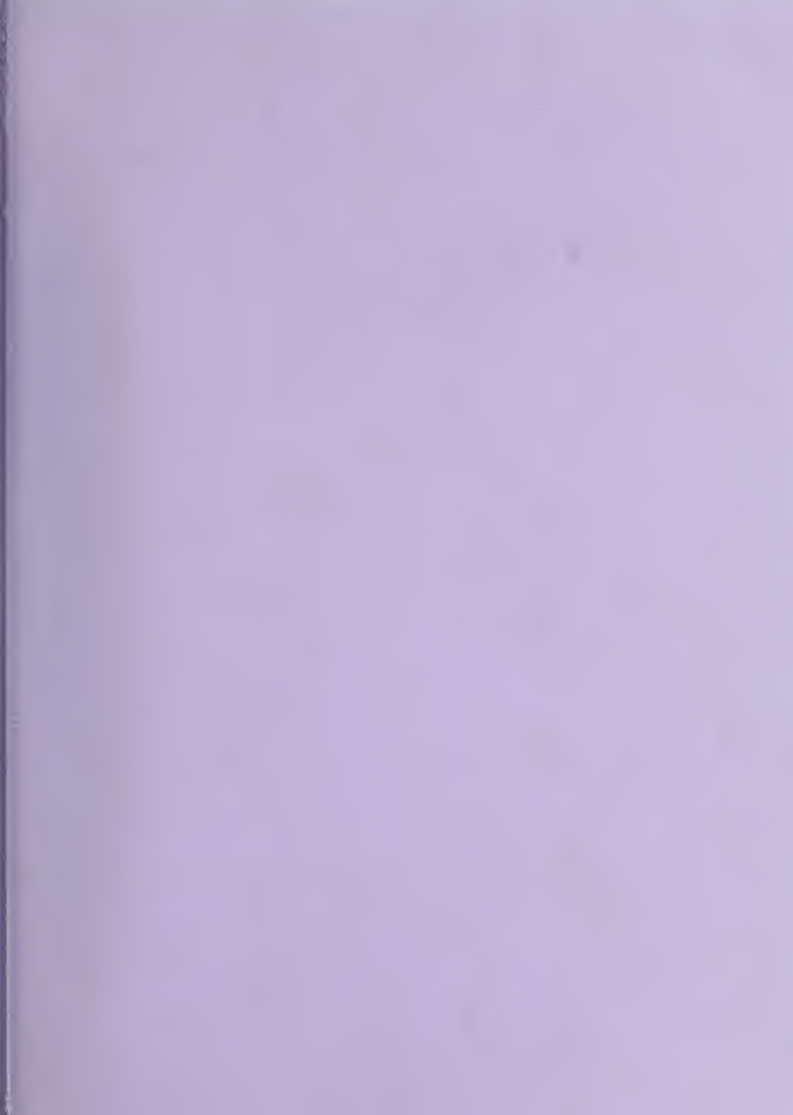
cc: San Francisco Risk Management
FAMSF, Registration Department

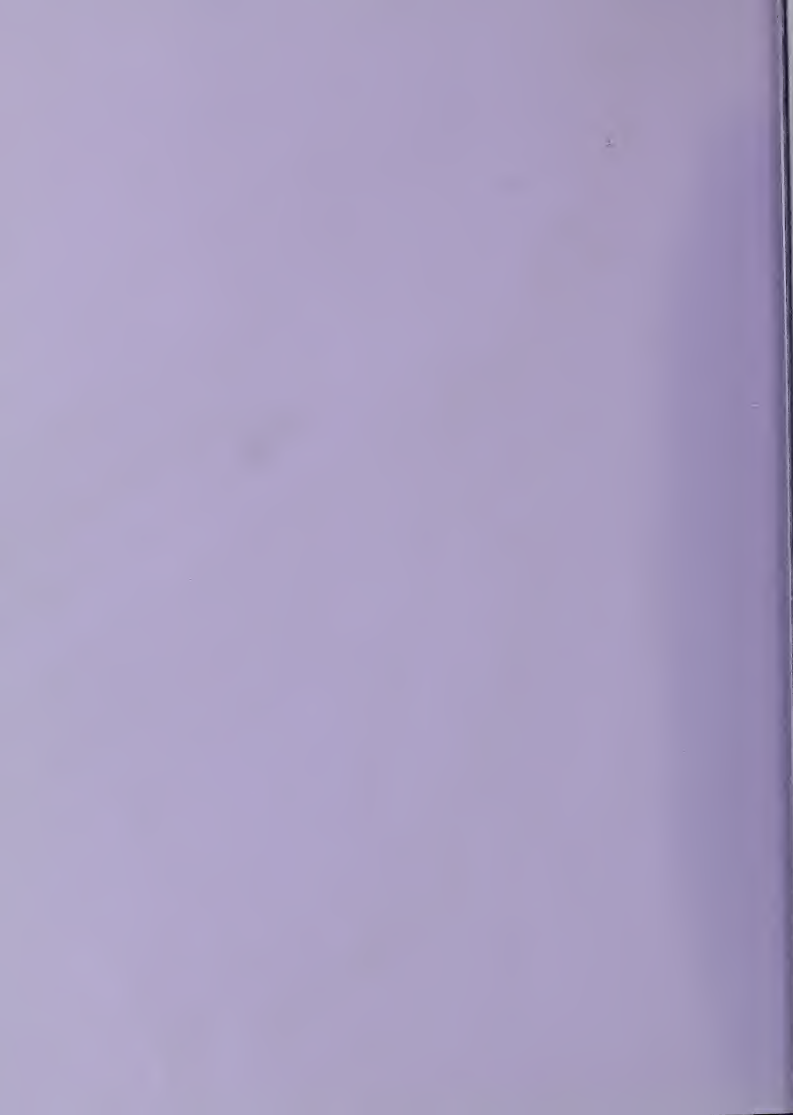
TIDA 2008 - 2012











AGENDA ITEM 8C
Treasure Island Development Authority
City and County of San Francisco
Meeting of January 14, 2009

Subject: Resolution Authorizing the Twentieth Amendment to the Event Venues Master Lease Number N6247498RP00Q03 between the Authority and the Navy to include the lot surrounding Bldg 449 in the Leased Premises

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

On September 4, 1998, the Treasure Island Development Authority (hereafter referred to as "TIDA") entered into Lease Number N6247498RP00Q03 (hereafter referred to as the "Event Venues Master Lease") with the United States of America, acting by and through the Department of the Navy, for use of certain real property located at the former Naval Station, Treasure Island. Over the past ten years, TIDA and the United States Navy have amended the Event Venues Master Lease nineteen times.

There has been a significant level of interest in subleasing additional properties on Treasure Island for the purpose of storage. In an effort to accommodate these requests in a timely manner, and to increase sublease revenue, TIDA has asked the Navy to agree to incorporate the lot surrounding Building 449 into the Leased Premises of the Event Venues Master Lease. The Navy has assented to this request.

RECOMMENDATION

TIDA staff recommends that the TIDA Board of Directors approve the proposed Twentieth Amendment to Lease Agreement N6247498RP00Q03 with the United States Navy to include the lot surrounding 449 to the Leased Premises and authorize the Director of Island Operations or her designee to execute said amendment to the Event Venues Master Lease.

EXHIBIT

Exhibit A: Twentieth Amendment to Lease Number N6247498RP00Q03

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations



[Amendment to Event Venues Master Lease]

**Resolution Authorizing the Twentieth Amendment to the Event Venues Master Lease
Number N6247498RP00Q03 between the Authority and the Navy to include the lot
surrounding Building 449 in the Leased Premises.**

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, On September 4, 1998, the Authority entered into the Event Venues Master Lease Number N6247498RP00Q03 (the "Event Venues Master Lease") with the Navy for use of certain real property located at the Base; and,

WHEREAS, The Event Venues Master Lease enables the Authority to use portions of the master leased area for special events and other appropriate site specific uses; and,

WHEREAS, To accommodate the increased level of interest in special events on Treasure Island and to generate additional revenues for the Authority, the Authority has asked

the Navy and the Navy has agreed to incorporate the lot surrounding Building 449 into the Leased Premises of the Event Venues Master Lease; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the Twentieth Amendment to Lease Agreement N6247498RP00Q03 (the "Twentieth Amendment") with the Navy to include the lot surrounding Building 449 in the Leased Premises and authorizes the Director of Island Operations or her designee to execute the Twentieth Amendment in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Twentieth Amendment that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Twentieth Amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling, Secretary

**TWENTIETH AMENDMENT
TO LEASE AGREEMENT N6247498RP00Q03
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY**

THIS LEASE AMENDMENT made this ____ day of _____ 2009, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00Q03 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00Q03 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, Add the following:

"Use of the lot surrounding Building 449 and bordered by Avenue B, Avenue C and 4th Street, as shown in Exhibit A, attached hereto and made a part hereof. Building 449 is excluded from the Leased Premises."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

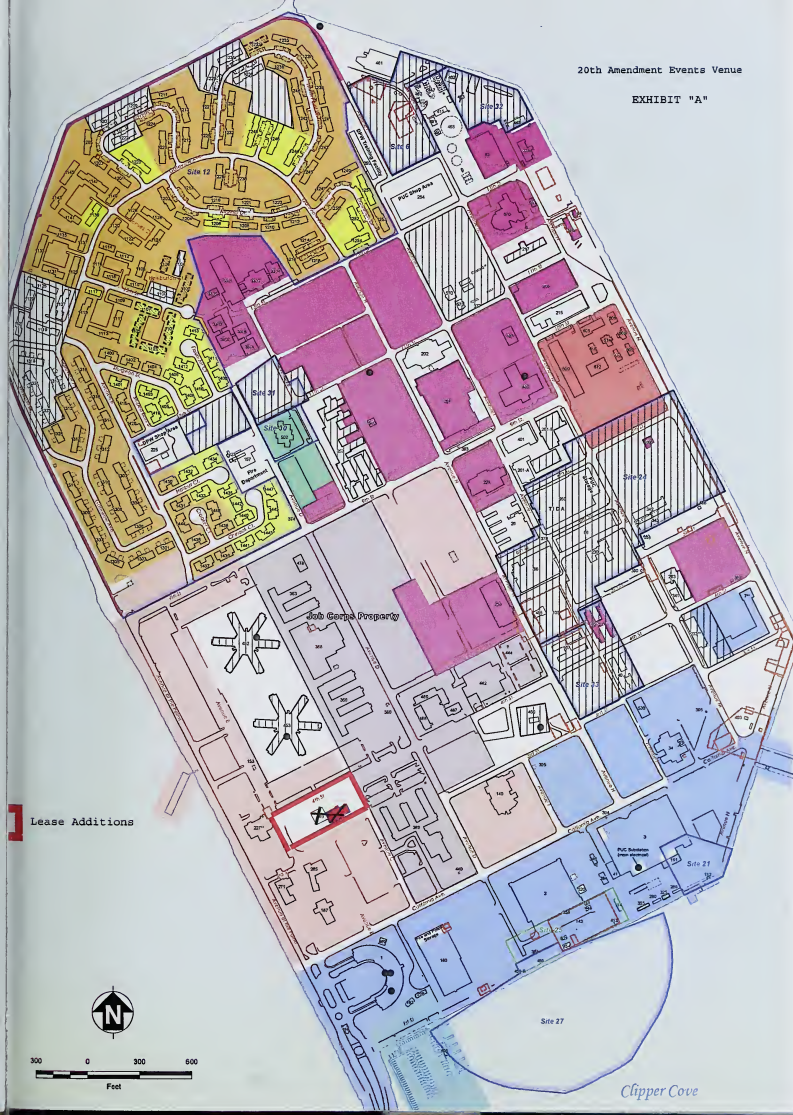
TREASURE ISLAND DEVELOPMENT
AUTHORITY

Title _____

Title _____

APPROVED AS TO FORM:

CITY ATTORNEY



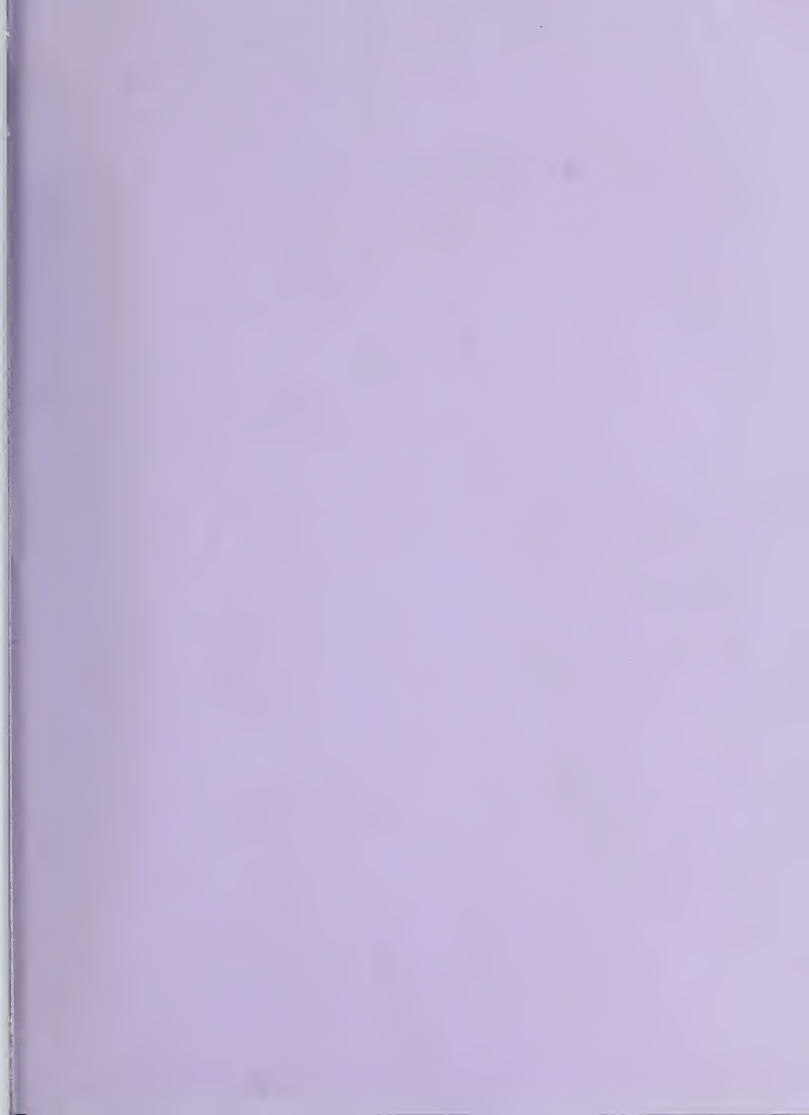
Lease Additions



300 0 300 600
Feet

Clipper Cove





AGENDA ITEM 8D
Treasure Island Development Authority
City and County of San Francisco
Meeting of January 14, 2009

Subject: Resolution Retroactively Approving and Authorizing the Execution of a First Amendment to Sublease No. 20 with SFGG Rugby Foundation, Inc., a California non-profit corporation for Parcel A: approximately 3,728 square feet of Building 34; Parcel B: approximately 97,000 square feet of land bounded by Avenue H, 3rd Street, Avenue I and California Avenue; Parcel C: approximately 1,300 square feet of land located south of Building 34; and Parcel D: approximately 16,500 square feet of paved land located on the west and north sides of Building 34, Treasure Island

Contact Richard A. Rovetti, Deputy Director of Real Estate

Phone 415-274-3365

BACKGROUND

The SFGG Rugby Foundation, Inc., a California non-profit corporation (hereafter referred to as "SFGG" or "Subtenant"), has been a subtenant in good standing with the Treasure Island Development Authority (hereafter referred to as the "Authority") for over three years. SFGG provides training for San Francisco youth and residents in team sports. The mission of SFGG is to expand the reach of traditional sports and to foster regional and local sports competitions.

Under the Sublease dated December 1, 2007, between the Authority and SFGG, SFGG subleases the following property (the "Initial Premises") for a month-to-month term that commenced on December 1, 2007 and expired on November 30, 2008: Parcel A: approximately 3,728 square feet of Building 34 (the "Clubhouse"); Parcel B: approximately 97,000 square feet of land bounded by Avenue H, 3rd Street, Avenue I and California Avenue ("Athletic Field"); and Parcel C: approximately 1,300 square feet of land located south of Building 34 (the "Netball Area"). The Base Rent for the Initial Premises is \$932.00 per month for Parcel A and Parcels B and C are provided at no Base Rent in consideration of SFGG's obligation to assume all responsibility for maintenance and repairs, and provide a public benefit to the community by reaching out to Treasure Island residents to introduce them to rugby and soccer by making facilities, training and athletic events available to the Treasure Island community at no cost. Under the proposed First Amendment to Sublease ("First Amendment"), SFGG is requesting (i) an extension of the month-to-month term commencing retroactively on December 1, 2008 and ending on November 30, 2009, (ii) an expansion of the Initial Premises to include Parcel D: approximately 16,500 square feet of paved land located on the west and north sides of Building 34, Treasure Island ("Additional Premises"); and (iii) that no Base Rent be paid for any of the Premises in consideration of SFGG's maintenance, repair and public benefit obligations described above.

SUBLEASE TERMS AND CONDITIONS

SFGG will sign the Authority's standard form Amendment to Sublease document. The salient terms and conditions of the proposed First Amendment include the following:

Premises:	Parcel A: approximately 3,728 square feet of Building 34 (the "Clubhouse"); Parcel B: approximately 97,000 square feet of land bounded by Avenue H, 3 rd Street, Avenue I and California Avenue ("Athletic Field"); Parcel C: approximately 1,300 square feet of land located south of Building 34 (the "Netball Area"); and Parcel D: approximately 16,500 square feet of paved land located on the west and north sides of Building 34 ("Additional Premises").
Location:	Building 34
Commencement Date:	December 1, 2008
Lease Expiration Date:	November 30, 2009
Lease Term:	Month-to-Month
Base Rent:	Parcels A, B, C, and D shall be provided to the Subtenant at no Base Rent in consideration of the Subtenant's obligation to assume all responsibility for maintenance and repairs, and provide a public benefit to the community by reaching out to Treasure Island residents to introduce them to rugby and soccer by making facilities, training and athletic events available to the Treasure Island community at no cost.

PROPOSED MONTHLY BASE RENT

Under the Authority's Interim Subleasing Policy, the Minimum Rental Rate Schedule sets ranges of minimum sublease rental rates per square foot by type of use and facility for office and industrial space. Authority Staff reviews and analyzes available commercial data including market comparables of properties similarly situated to the Authority properties and evaluates the Authority transactions over the past 12 months to establish fair market value. The Authority Board last approved the Minimum Rental Rate Schedule in July 2007, by Resolution No. 07-54-07/11. The Subleasing Policy has established a Minimum Rental Rate of \$0.05 PSF for use of unpaved land as industrial yards, and \$1.00 PSF for Building 34. However, according to the Authority commissioned Carneghi-Blum Market Rent Appraisal conducted in February 2007, athletic fields have no rental value.

In 2005, SFGG developed an athletic field and netball court, as well as renovated portions of Building 34. The initial cost of the improvement project was \$350,000. SFGG continues to improve the clubhouse, athletic field, and surrounding areas. Authority Staff and SFGG have negotiated the First Amendment to include additional unimproved land to their Premises and use of a portion of Building 34 at no base rent. SF Fog, San Francisco Little League, and San Francisco Gaelic Athletic Association are provided field space and clubhouse space on Treasure Island at no base rent, subject to the condition that the clubs assume all responsibility for maintenance and repairs and contribute to the community by reaching out to Treasure Island residents to introduce them to the sport and by making facilities, training and athletic events

available to the Treasure Island community for free. SFGG offers to provide the same benefits to the Treasure Island community. The Authority seeks to provide SFGG with the same equitable terms.

FINANCIAL IMPACT

The proposed Amendment will decrease the Authority's annual budget by approximately \$11,184.00.

RECOMMENDATION

The Authority Staff recommends that the Authority Board of Directors retroactively approve the Sublease with SFGG Rugby Foundation, Inc., a California non-profit corporation, and authorize the Director of Island Operations or her designee to execute the First Amendment for Parcel A: approximately 3,728 square feet of Building 34; Parcel B: approximately 97,000 square feet of land bounded by Avenue H, 3rd Street, Avenue I and California Avenue; Parcel C: approximately 1,300 square feet of land located south of Building 34; and Parcel D: approximately 16,500 square feet of paved land located on the west and north sides of Building 34, Treasure Island, for a month-to-month term and subject to the additional terms and conditions set forth above.

EXHIBIT A – First Amendment to Sublease No. 20 between the Treasure Island Development Authority and the SFGG Rugby Foundation, Inc., a California non-profit corporation

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations



[Sublease with SFGG Rugby Foundation, Inc.]

Resolution Retroactively Approving and Authorizing the Execution of a First Amendment to Sublease No. 20 with SFGG Rugby Foundation, Inc. for Parcel A: approximately 3,728 square feet of Building 34; Parcel B: approximately 97,000 square feet of land bounded by Avenue H, 3rd Street, Avenue I and California Avenue; Parcel C: approximately 1,300 square feet of land located south of Building 34; and Parcel D: approximately 16,500 square feet of paved land located on the west and north sides of Building 34, Treasure Island.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, SFGG Rugby Foundation, Inc., a California non-profit corporation (hereafter referred to as "SFGG" or "Subtenant"), and the Authority are parties to the Sublease dated December 1, 2007, for the property (the "Initial Premises") generally described as follows: Parcel A: approximately 3,728 square feet of Building 34 (the

"Clubhouse"); Parcel B: approximately 97,000 square feet of land bounded by Avenue H, 3rd Street, Avenue I and California Avenue ("Athletic Field"); and Parcel C: approximately 1,300 square feet of land located south of Building 34 (the "Netball Area"); and,

WHEREAS, SFGG spent over \$350,000 to develop the Athletic Field and Netball Court, as well as to renovate portions of Building 34; and,

WHEREAS, The mission of the SFGG is to expand the reach of traditional sports and to foster regional and local sports competitions, and to train San Francisco youth and residents in the sport under the umbrella of SFGG; and,

WHEREAS, SFGG has assumed all responsibility for maintenance and repairs to the facilities and provides a public benefit to the community by reaching out to Treasure Island residents to introduce them to the sport by making facilities, training and athletic events available to the Treasure Island community at no cost; and,

WHEREAS, Under the proposed First Amendment to Sublease ("First Amendment"), SFGG is requesting (i) an extension of the month-to-month term commencing retroactively on December 1, 2008 and ending on November 30, 2009, (ii) an expansion of the Initial Premises to include Parcel D: approximately 16,500 square feet of paved land located on the west and north sides of Building 34, Treasure Island ("Viewing Area"); and (iii) that no Base Rent be paid for any of the Premises in consideration of SFGG's maintenance, repair and public benefit obligations; and,

WHEREAS, Even though the Authority will receive no monthly base rent under this Sublease, as amended by the First Amendment, Authority staff believes the public and community benefits and capital improvements represent fair market value at this time; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the First Amendment to Sublease No. 20 with SFGG Rugby Foundation, Inc. for Parcel A: approximately 3,728 square

feet of Building 34; Parcel B: approximately 97,000 square feet of land bounded by Avenue H, 3rd Street, Avenue I and California Avenue; Parcel C: approximately 1,300 square feet of land located south of Building 34; and Parcel D: approximately 16,500 square feet of paved land located on the west and north sides of Building 34 located on Treasure Island and authorizes the Director of Island Operations or her designee to execute the First Amendment in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the First Amendment will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the First Amendment are economically reasonable; and be it

FURTHER RESOLVED, That SFGG will assume all responsibility for maintenance and repairs to the Clubhouse, Athletic Field, Netball Area, and Viewing Area, and that SFGG will conduct outreach to the Treasure Island community to introduce them to team sports by making facilities, training and athletic events available to the Treasure Island community for free; and be it

FURTHER RESOLVED, That in accord with the appraised fair market rent for athletic fields on Treasure Island, the Premises will be provided to the SFGG at no cost for the term of the Sublease in consideration of SFGG's obligations to improve and maintain the athletic field and facilities, and to provide outreach to the Treasure Island community in accordance with the terms of the Sublease, as amended by the First Amendment; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the First Amendment that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the

Authority, and are necessary or advisable to complete the preparation and approval of the First Amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling, Secretary

ITEM 8D, EXHIBIT A

FIRST AMENDMENT TO SUBLEASE NO. 20

THIS FIRST AMENDMENT TO SUBLEASE (this "First Amendment"), dated for reference purposes only as of December 1, 2008, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and SFGG RUGBY FOUNDATION, INC., a California non-profit corporation ("Subtenant").

RECITALS

A. Sublandlord and Subtenant entered into that certain Sublease dated for reference purposes as of December 1, 2007 (the "Original Sublease"), for Parcel A: approximately 3,728 square feet of Building 34 (the "Clubhouse"); Parcel B: approximately 97,000 square feet of land bounded by Avenue H, 3rd Street, Avenue I and California Avenue ("Athletic Field"); and Parcel C: approximately 1,300 square feet of land located south of Building 34 (the "Netball Area"), Treasure Island, San Francisco, California, as more particularly described in the Original Sublease. The Clubhouse, the Athletic Field and the Netball Area are collectively referred to in this First Amendment as the "Initial Premises." The term of the Original Sublease expires on November 30, 2008.

B. Sublandlord and Subtenant desire to amend the Original Sublease to (i) expand the Initial Premises to include approximately 16,500 square feet of paved land located on the west and north sides of Building 34 (the "Additional Premises"), (ii) make the Premises available at No Base Rent, and (iii) extend the Term, on the terms and conditions set forth in this First Amendment.

C. The Original Sublease and this First Amendment shall collectively be referred to as the "Sublease". All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Sublease.

NOW THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the Sublandlord and Subtenant hereby amend the Sublease as follows:

AGREEMENT

- 1. Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.
- 2. Effective Date.** The effective date of this First Amendment shall be December 1, 2008 (the "Effective Date").
- 3. Premises.** As of the Effective Date, the Premises described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Parcel A: approximately 3,728 square feet of Building 34; Parcel B: approximately 97,000 square feet of land bounded by Avenue H, 3rd Street, Avenue I and California Avenue; Parcel C: approximately 1,300 square feet of land located south of Building 34 (collectively, the "Initial Premises"); and Parcel D: approximately 16,500 square feet of paved land located on the west and north sides of Building 34 (the "Additional Premises"), Treasure Island, San Francisco, California, all as more particularly shown on

Exhibit B attached hereto and made a part hereof. The Initial Premises and the Additional Premises are collectively referred to in this Sublease as the "Premises"

All references to "Premises" and "Exhibit B" in the Sublease shall mean the Premises described herein and shown on the amended Exhibit B attached to this First Amendment.

4. **Term.** As of the Effective Date, the Term described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Commencement date: December 1, 2007

Expiration date: November 30, 2009

Notwithstanding anything in this Sublease to the contrary, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party."

5. **Base Rent.** As of the Effective Date, the Base Rent described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Parcels A, B, C, and D shall be provided to the Subtenant at no Base Rent in consideration of the Subtenant's obligation to assume all responsibility for maintenance and repairs, and provide a public benefit to the community by reaching out to Treasure Island residents to introduce them to rugby and soccer by making facilities, training and athletic events available to the Treasure Island community at no cost."

6. **Counterparts.** This First Amendment may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof.

7. **Full Force and Effect.** Except as specifically amended herein, the terms and conditions of the Sublease shall remain in full force and effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this First Amendment to Sublease at San Francisco, California, as of the date first above written.

SUBLANDLORD:

Treasure Island Development Authority

By: _____
Mirian Saez
Director of Island Operations

SUBTENANT:

**SFGG Rugby Foundation, Inc.,
a California non-profit corporation**

By: _____
Tony Wells

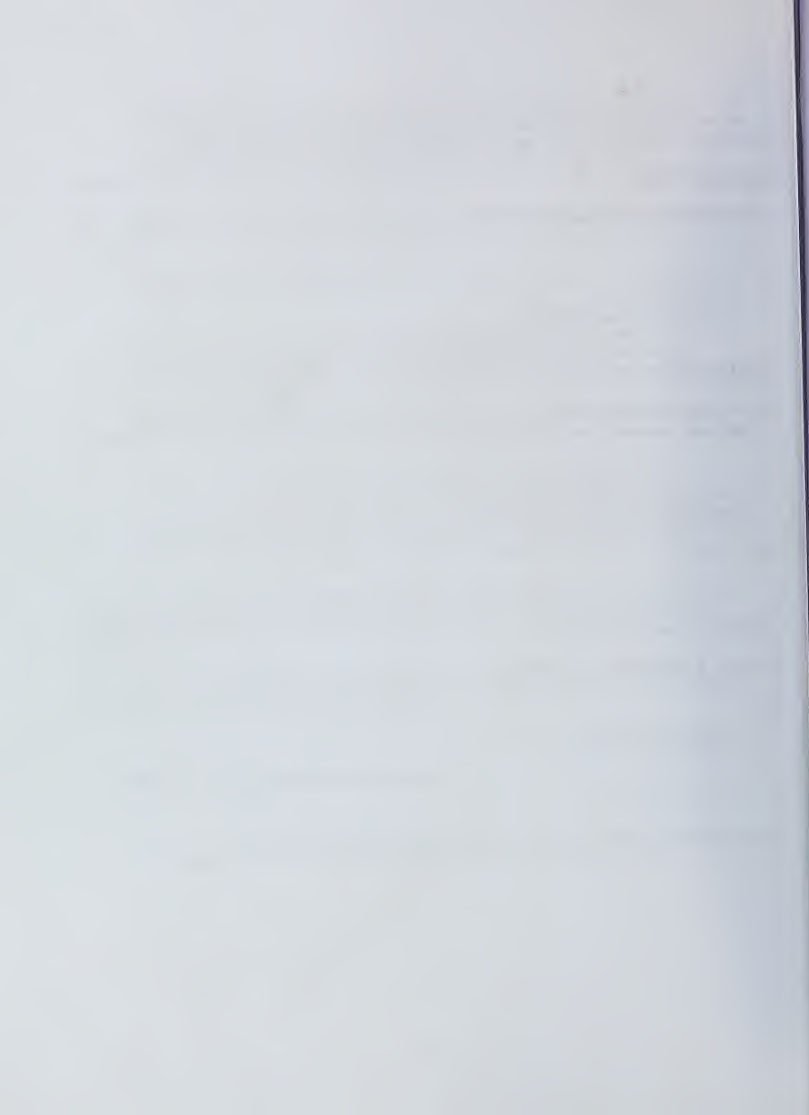
Its: President

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

Amendment Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)



AGENDA ITEM 8E
Treasure Island Development Authority
City and County of San Francisco
Meeting of January 14, 2009

Subject: Resolution Authorizing the Thirty Second Amendment to the Land and Structures Master Lease Number N6247499RP42P12 between the Authority and the Navy to include Buildings 29, 157, 215, 225, 261A, 264, 292, 401 and the lot surrounding Building 450 in the Leased Premises

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

On November 19, 1998, the Treasure Island Development Authority (hereafter referred to as "TIDA") entered into Lease Number N6247499RP42P12 (hereafter referred to as the Land and Structures Master Lease") with the United States of America, acting by and through the Department of the Navy, for use of certain real property located at the former Naval Station, Treasure Island. Over the past nine years, TIDA and the United States Navy have amended the Land and Structures Master Lease thirty one times.

There has been a significant level of interest in subleasing additional properties on Treasure Island for the purpose of storage. In an effort to accommodate these requests in a timely manner, and to increase sublease revenue, TIDA has asked the Navy to agree to incorporate Buildings 29, 157, 215, 225, 261A, 264, 292, 401 and the lot surrounding Building 450 into the Leased Premises of the Land and Structures Master Lease. The Navy has assented to this request.

RECOMMENDATION

TIDA staff recommends that the TIDA Board of Directors approve the proposed Thirty Second Amendment to Lease Agreement N6247499RP42P12 with the United States Navy to include Buildings 29, 157, 215, 225, 261A, 264, 292, 401 and the lot surrounding Building 450 to the Leased Premises and authorize the Director of Island Operations or her designee to execute said amendment to the Land and Structures Master Lease.

EXHIBIT

Exhibit A: Thirty Second Amendment to Lease Number N6247499RP42P12

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

[Amendment to Land and Structures Master Lease]

Resolution Authorizing the Thirty Second Amendment to the Land and Structures Master Lease Number N6247499RP42P12 between the Authority and the Navy to include Buildings 29, 157, 215, 225, 261A, 264, 292, 401 and the lot surrounding Building 450 in the Leased Premises.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, On November 19, 1998, the Authority entered into the Land and Structures Master Lease Number N6247499RP42P12 (the "Land and Structures Master Lease") with the Navy for use of certain real property located at the Base; and,

WHEREAS, The Land and Structures Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the Base; and,

WHEREAS, To accommodate the increased level of interest in subleasing additional properties on Treasure Island for the purpose of storage, and to generate additional revenues for the Authority, the Authority has asked the Navy and the Navy has agreed to incorporate Buildings 29, 157, 215, 225, 261A, 264, 292, 401 and the lot surrounding Building 450 into the Leased Premises of the Land and Structures Master Lease; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the Thirty Second Amendment to Lease Agreement N6247499RP42P12 (the "Thirty Second Amendment") with the Navy to include Buildings 29, 157, 215, 225, 261A, 264, 292, 401 and the lot surrounding Building 450 to the Leased Premises and authorizes the Director of Island Operations or her designee to execute the Thirty Second Amendment in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Thirty Second Amendment that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Thirty Second Amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling, Secretary



**THIRTY-SECOND AMENDMENT
TO LEASE AGREEMENT N6247499RP42P12
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY**

THIS LEASE AMENDMENT made this ____ day of _____ 2009, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 19 November 1998, entered into Lease Agreement N6247499RP42P12 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247499RP42P12 are hereby amended to reflect the following changes;

1. Paragraph 34 SPECIAL PROVISIONS:

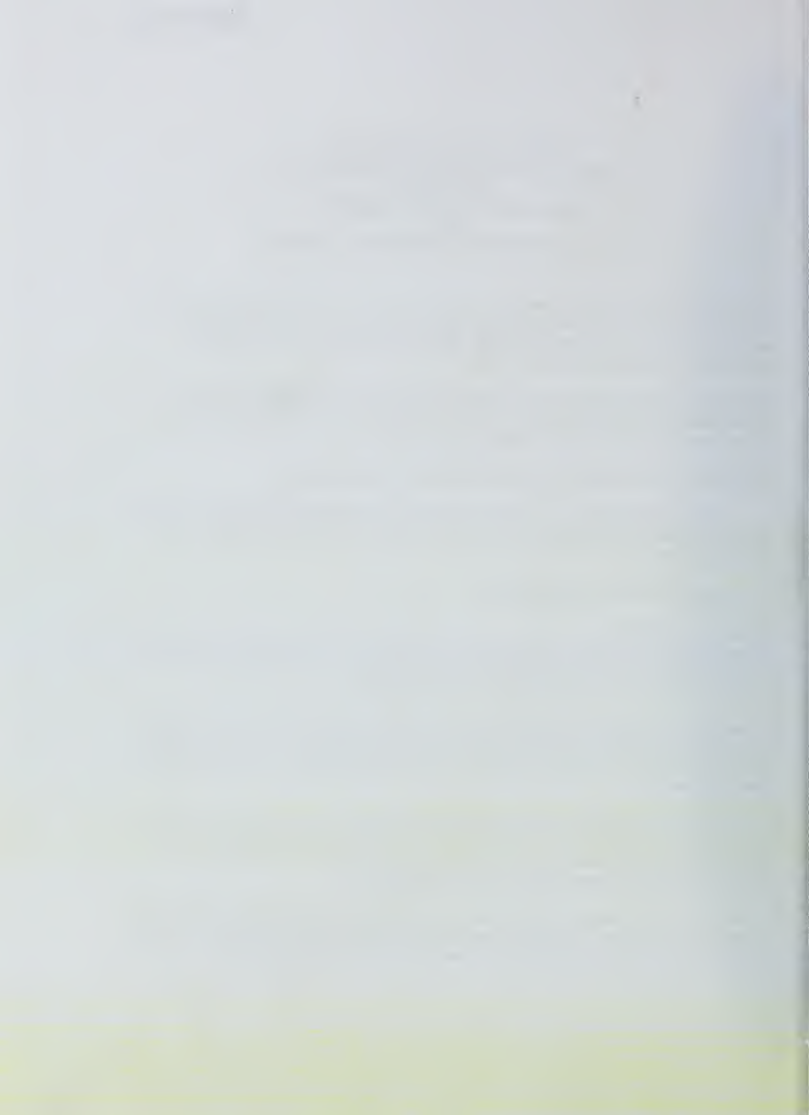
INSERT to EXHIBIT C:

"Final Finding of Suitability to Lease Reuse Zone 1B, Parcels T052, T053, T054, T056, T059, T060, and T063 at Naval Station Treasure Island, San Francisco, California, July 1997. As shown in Exhibit "C-3" attached hereto and made part hereof."

"Final Finding of Suitability to Lease Reuse Zone 2B, Parcels T011, T012, T013, T014, T016, T017, T018, T019, T020, T023, T024, T024, and a Portion of T027 at Naval Station Treasure Island, San Francisco, California, August 1997. As shown in Exhibit "C-4" attached hereto and made part hereof."

"Final Finding of Suitability to Lease Reuse Zone 3B, Parcel T093, a Portion of Parcel T096, a Portion of Parcel T097, a Portion of Parcel T103, Parcel T104, a Portion of Parcel T105, and Parcel T106 at Naval Station Treasure Island, San Francisco, California, September 1997. As shown in Exhibit "C-5" attached hereto and made part hereof."

"Final Finding of Suitability to Lease Reuse Zone 4, a Portion of Parcel T096 and T097, Parcel T100, T101, T102, T103, and T107 at Naval Station Treasure Island, San Francisco, California, December 1997. As shown in Exhibit "C-6" attached hereto and made part hereof."



"Final Finding of Suitability to Lease Reuse Zone 5C, Parcels T070, T071, T072, T074, T076, T108, T112, T113, T114, and T115 at Naval Station Treasure Island, San Francisco, California, June 1999. As shown in Exhibit "C-7" attached hereto and made part hereof."

2. Paragraph 1 LEASED PREMISES, add the following:

"Use of Buildings 29, 157, 215, 225, 261A, 264, 292 and 401 and associated lands as shown in Exhibit A-14, attached hereto and made a part hereof. Use of the lot surrounding Building 450, as shown in Exhibit A-14, attached hereto and made a part hereof. Building 450 is excluded from the Leased Premises."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

TREASURE ISLAND DEVELOPMENT
AUTHORITY

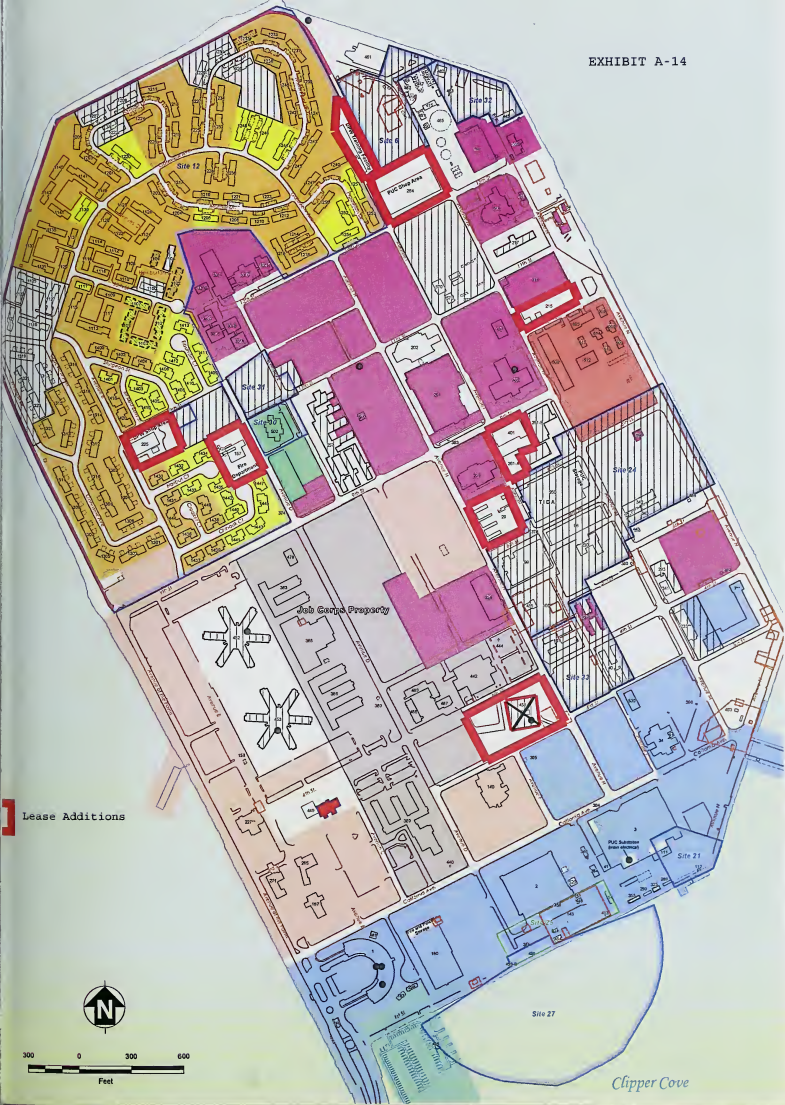
Title _____

Title _____

APPROVED AS TO FORM:

CITY ATTORNEY







AGENDA ITEM 8F
Treasure Island Development Authority
City and County of San Francisco
Meeting of January 14, 2009

Subject: Resolution Authorizing the Twenty Fourth Amendment to the South Waterfront Master Lease Number N6247498RP00P99 between the Authority and the Navy to include Buildings 355, 385, 454, 501 and the portion of Avenue I between 3rd Street and California Avenue in the Leased Premises

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

On September 4, 1998, the Treasure Island Development Authority (hereafter referred to as "TIDA") entered into Lease Number N6247498RP00P99 (hereafter referred to as the "South Waterfront Master Lease") with the United States of America, acting by and through the Department of the Navy, for use of certain real property located at the former Naval Station, Treasure Island. Over the past nine years, TIDA and the United States Navy have amended the South Waterfront Master Lease twenty three times.

There has been a significant level of interest in subleasing additional properties on Treasure Island for the purpose of storage. In an effort to accommodate these requests in a timely manner, and to increase sublease revenue, TIDA has asked the Navy to agree to incorporate Buildings 355, 385, 454, 501 and the portion of Avenue I between 3rd Street and California Avenue into the Leased Premises of the South Waterfront Master Lease. The Navy has assented to this request.

RECOMMENDATION

TIDA staff recommends that the TIDA Board of Directors approve the proposed Twenty Fourth Amendment to Lease Agreement N6247498RP00P99 with the United States Navy to include Buildings 355, 385, 454, 501 and the portion of Avenue I between 3rd Street and California Avenue to the Leased Premises and authorize the Director of Island Operations or her designee to execute said amendment to the South Waterfront Master Lease.

EXHIBIT

Exhibit A: Twenty Fourth Amendment to Lease Number N6247498RP00P99

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations



FILE NO. _____

[Amendment to South Waterfront Master Lease]

Resolution Authorizing the Twenty Fourth Amendment to the South Waterfront Master Lease Number N6247498RP00P99 between the Authority and the Navy to include Buildings 355, 385, 454, 501 and the portion of Avenue I between 3rd Street and California Avenue in the Leased Premises.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, On September 4, 1998, the Authority entered into the South Waterfront Master Lease Number N6247498RP00P99 (the "South Waterfront Master Lease") with the Navy for use of certain real property located at the Base; and,

WHEREAS, The South Waterfront Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the Base; and,

WHEREAS, To accommodate the increased level of interest in subleasing additional properties on Treasure Island for the purpose of storage, and to generate additional revenues for the Authority, the Authority has asked the Navy and the Navy has agreed to incorporate Buildings 355, 385, 454, 501 and the portion of Avenue I between 3rd Street and California Avenue into the Leased Premises of the South Waterfront Master Lease; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the Twenty Fourth Amendment to Lease Agreement N6247498RP00P99 (the "Twenty Fourth Amendment") with the Navy to include Buildings 355, 385, 454, 501 and the portion of Avenue I between 3rd Street and California Avenue to the Leased Premises and authorizes the Director of Island Operations or her designee to execute the Twenty Fourth Amendment in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Twenty Fourth Amendment that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Twenty Fourth Amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling, Secretary



**TWENTY FOURTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY**

THIS LEASE AMENDMENT made this _____ day of _____ 2009, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES** add the following:

"Use of Buildings 355, 385, 454, 501 and the portion of Avenue "I" between 3rd Street and California, as shown in Exhibit A-12, attached hereto and made a part hereof."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

TREASURE ISLAND DEVELOPMENT
AUTHORITY

Title _____

Title _____

APPROVED AS TO FORM:

CITY ATTORNEY

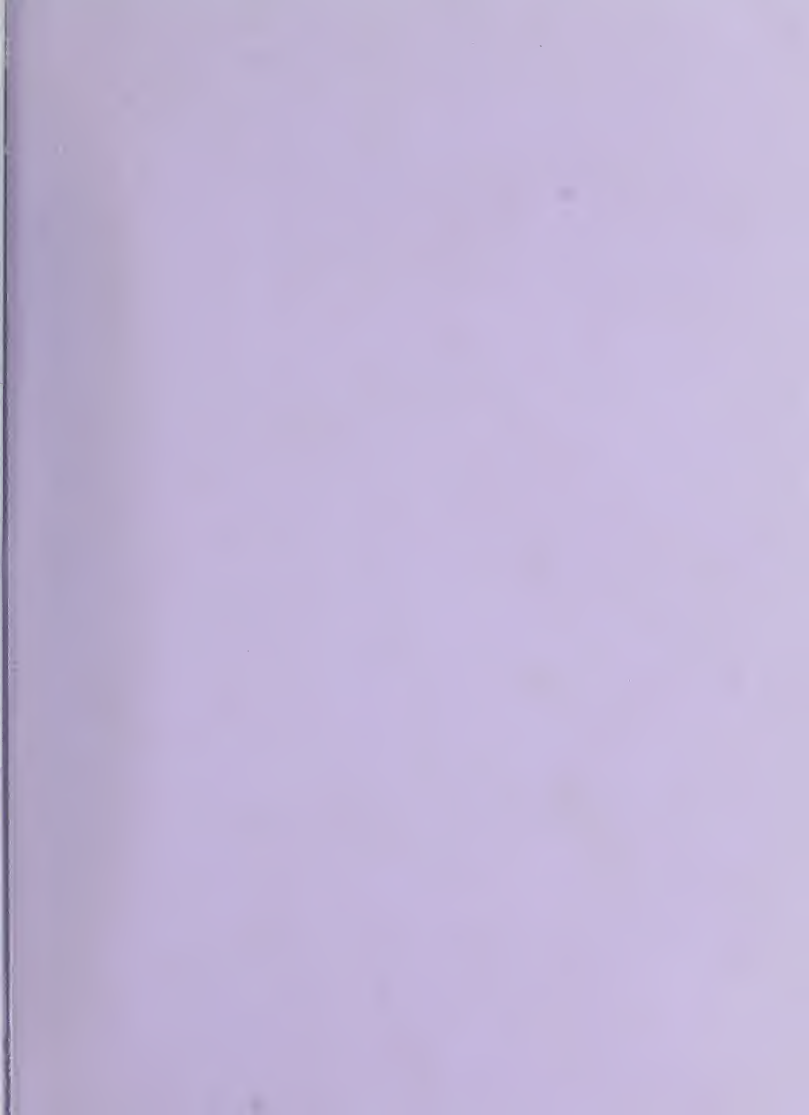




214th Amendment NGS161688P00999
EXHIBIT A-12









AGENDA ITEM 8G & 8H
Treasure Island Development Authority
City and County of San Francisco
Meeting of January 14, 2009

Subject: Resolution Retroactively Approving the Sixth Amendment to the Exclusive Negotiating Agreement with Treasure Island Enterprises, LLC to Extend the Time for Exclusive Negotiations for the Redevelopment of the Treasure Island Marina

and

Resolution Retroactively Approving a Third Addendum to the Term Sheet for the Disposition and Development Agreement and Ground Lease between the Treasure Island Development Authority and Treasure Island Enterprises, LLC for the Redevelopment of the Treasure Island Marina

Contact Jack Sylvan, Office of Economic & Workforce Development

BACKGROUND

The Authority originally intended that the redevelopment of the Treasure Island marina would precede master development of the remainder of former Naval Station Treasure Island. Consequently, on January 21, 1998, the Authority issued a Request for Proposals (RFP) related to the development and expansion of the Treasure Island Marina. Based on that RFP process, on February 10, 1999, the Authority authorized staff to prepare an Exclusive Negotiating Agreement (ENA) with Treasure Island Enterprises, LLC (TIE), which was executed on June 9, 1999.

To date, the Authority and TIE have completed several milestones including an initial agreement (and subsequent extensions) with TIE for the interim operation of the existing marina, the preparation of a preliminary development concept (PDC) for the marina expansion, and a term sheet. The term sheet outlines all of the key terms and conditions of a Disposition and Development Agreement (DDA) and a long-term lease for the marina. While the TIDA Board has already approved the terms of the DDA and lease, the process of finalizing the DDA has been delayed because of the Navy's failure to transfer the property.

ENA Extension

TIE has requested five previous extensions of the ENA and is requesting a sixth extension to complete the transaction documents. The need for the extension is due to various factors that remain beyond control of TIE, including:

- ***Transfer of the Property from the Navy to the Authority.*** Expansion and development of the marina cannot be implemented until the property is conveyed from the Navy. As has been reported at prior Authority meetings, the timeline for conveyance has been extended.
- ***Environmental Remediation.*** The boundaries for the expanded marina contain at least one installation restoration (IR) site that may require additional investigation to determine the activities necessary to attain site closure. Until the site receives regulatory clearance (or the Authority takes the parcels via an "early transfer"), the area cannot be conveyed to the Authority.

In the fifth extension, the ENA with TIE was extended to December 31, 2008, with a final "Upset Date" of June 30, 2009. Since that fifth extension, the timeframe of the exclusive negotiating agreement between the Authority and Treasure Island Community Development, LLC (TICD) for the master development of the base has been extended. This sixth amendment to the ENA with TIE would extend the term of exclusive negotiations through June 30, 2010, a timeframe consistent with the TICD master development negotiations.

Third Addendum to Term Sheet

The original term sheet for development and expansion of the Treasure Island Marina, approved by the Authority on November 14, 2001, contemplated that development of the marina would occur in two phases – a first phase waterside expansion, and a later, second phase of landside improvements and facilities timed to synchronize with master development of the entirety of Treasure Island. After approval of the term sheet with TIE, the Authority entered into exclusive negotiations with TICD for master development of the island and initiated a planning process that included the same landside portion that was included in the TIE marina expansion plans.

In order to provide clarity, on November 10, 2004 the Authority approved an Addendum to the TIE term sheet providing that TICD should have the first option to develop the area included in the landside portion of the marina term sheet (Landside Area). It also required TICD to develop this area in a manner consistent with the waterside improvements made by TIE, including sufficient parking, restrooms and support facilities, and utility connections and services, among others. In Fall 2006, the Treasure Island/Yerba Buena Island Citizen's Advisory Board, the Authority Board and the Board of Supervisors endorsed a Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island with TICD that included the Landside Area.

The original Addendum provided TICD the first option to develop the Landside Area, but provided that TIE could exercise its right to develop the Landside Area if the DDA between the Authority and TICD was not executed by December 31, 2006. A Second Addendum to the term sheet extended the date to December 31, 2008. As indicated previously, the exclusive negotiating period with TICD has been extended and significant progress has been made on the master development plans. Accordingly, TIE and the Authority staff wish to revise the Addendum to reflect the evolved development planning timeframe. Like the amendment to the ENA with TIE discussed above, the proposed Third Addendum would continue to provide TICD

with the first option to develop the Landside Area, and would provide that the right to develop the area would revert back to TIE if either:

1. TICD does not execute a DDA by June 30, 2010
2. TICD does not commence development of the Landside Area improvements within five years after execution of the master development DDA.

RECOMMENDATION

Staff recommends approval of the extension of the ENA and the term sheet addendum with TIE.

EXHIBITS

- A Sixth Amendment to ENA between the Authority and TIE
- B Third Addendum to Term Sheet with TIE



[Amendment to Marina Exclusive Negotiating Agreement]

Resolution retroactively approving the Sixth Amendment to the Exclusive Negotiating Agreement with Treasure Island Enterprises, LLC, to extend the time for exclusive negotiations for the redevelopment of the Treasure Island Marina.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors, has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, At its regular meeting on February 10, 1999, the Board of Directors of the Authority adopted Resolution No. 99-09-2/10 authorizing the Executive Director of the

Authority to enter into exclusive negotiations with Treasure Island Enterprises, LLC ("TIE") for the development of the Treasure Island Marina; and,

WHEREAS, Pursuant to Resolution No. 99-20-6/9, on June 22, 1999, the Authority entered into a 12-month Exclusive Negotiating Agreement with TIE with one 6-month extension option (the "Extension Option") for the redevelopment of the Treasure Island Marina; and,

WHEREAS, The initial 12-month term expired and TIE duly exercised its 6-month Extension Option; and,

WHEREAS, After issuing a request for proposals, the Authority entered into another exclusive negotiating agreement with Treasure Island Community Development, LLC ("TICD") for the master development of the remainder of the Base (as amended from time to time, the "TICD ENA"); and,

WHEREAS, In 2006, the Treasure Island Citizens' Advisory Board, the Authority Board of Directors, and the San Francisco Board of Supervisors each endorsed the Development Plan and Term Sheet for the Redevelopment of Treasure Island; and,

WHEREAS, The Authority Board has authorized extensions of the ENA, including most recently on October 10, 2007, the Authority Board authorized the execution of an amendment to the ENA that (1) extended the term of the Extension Option under Section 4(a) of the ENA until the earlier to occur of the date that (i) the Authority and TIE enter into a disposition and development agreement for the Marina, (ii) the ENA is earlier terminated pursuant to the terms of the ENA, or (iii) December 31, 2008, and (2) extended the "Upset Date" for the ENA extension right under Section 4(b) of the ENA until June 30, 2009 (Resolution No. 07-74-10/10); and,

WHEREAS, The transfer of the property from the Navy, which will enable the expansion of the Marina, has not yet been consummated; and,

WHEREAS, The adoption of a redevelopment plan for the Base has been delayed until the necessary additional environmental review for the master development plan can be completed; and,

WHEREAS, The Authority staff recommends that the term of the Extension Option under Section 4(a) of the ENA be extended until the earlier to occur of (i) the date that the Authority and TIE enter into a disposition and development agreement for the Marina, (ii) the date that the ENA is earlier terminated pursuant to the terms of the ENA, or (iii) June 30, 2010; and,

WHEREAS, The Authority staff also recommends that the Upset Date for the extension rights granted under Section 4(b) of the ENA be extended until no later than December 31, 2010; now therefore, be it

RESOLVED, That the Board of Directors hereby approves and authorizes the Treasure Island Redevelopment Project Director to execute a Sixth Amendment to the Exclusive Negotiating Agreement substantially the form attached hereto as Exhibit A to (1) extend the term of the Extension Option under Section 4(a) of the ENA until the earlier to occur of (i) the date that the Authority and TIE enter into a disposition and development agreement for the Marina, (ii) the date that the ENA is earlier terminated pursuant to the terms of the ENA, or (iii) June 30, 2010; and (2) the Upset Date for the extension rights granted under Section 4(b) of the ENA be extended until no later than December 31, 2010; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure Island Redevelopment Project Director to enter into any additions, amendments or other modifications to the Sixth Amendment that the Treasure Island Redevelopment Project Director determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete

the preparation and approval of the Sixth Amendment, such determination to be conclusively evidenced by the execution and delivery by the Treasure Island Redevelopment Project Director of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling
Secretary

ITEM 8G, EXHIBIT A
SIXTH AMENDMENT TO
EXCLUSIVE NEGOTIATING AGREEMENT

THIS SIXTH AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT (this "Sixth Amendment") is made and entered into as of the 31st day of December, 2008, by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Authority"), a public body, corporate and politic created pursuant to the laws of the State of California, and TREASURE ISLAND ENTERPRISES, LLC, a California limited liability corporation ("Developer"). (Collectively, the Authority and the Developer shall be referred to as the "Parties").

RECITALS

WHEREAS, the Authority and the Developer are parties to that certain Exclusive Negotiating Agreement dated June 22, 1999 (the "Original Agreement") pursuant to which the Parties agreed, among other things, to negotiate in good faith with each other to enter into (i) a Disposition and Development Agreement ("DDA") and any related Ground Leases related to the development and expansion of the Treasure Island Marina ("Marina"), (ii) a Sublease for the interim operation of the Marina, and (iii) any other necessary transaction documents (collectively, the "Transaction Documents"); and,

WHEREAS, the initial term of the Agreement was for one year with one six-month extension option (the "Extension Option"), and the Developer duly exercised its Extension Option in accordance with the Original Agreement; and,

WHEREAS, the Parties have entered into the First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment to Exclusive Negotiating Agreement to further extend the term; and,

WHEREAS, the Original Agreement, as modified by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment to Exclusive Negotiating Agreement, are collectively referred to in this Sixth Amendment as the "Agreement"; and,

WHEREAS, capitalized terms not otherwise defined in this Sixth Amendment shall have the meanings given in the Agreement; and,

WHEREAS, in 2006, the Treasure Island Citizens Advisory Board, the Authority's Board of Directors and the San Francisco Board of Supervisors each endorsed the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island; and,

WHEREAS, due to circumstances beyond Developer's control, including the completion of any necessary environmental review of the master development plan for the Base, (i) the transfer of the Property from the Navy, which will enable the expansion of the Marina, has not been consummated, (ii) the redevelopment plan for the Base has not been adopted, and (iii) the Parties have not completed the Transaction Documents; and,

WHEREAS, the Parties wish to further extend the term of the Agreement.

NOW THEREFORE, the Authority and the Developer agree as follows:

1. The last two sentences of Subsection 4(a) of the Agreement are hereby deleted in their entirety and replaced with the following:

"If the Developer has duly exercised the Developer's Extension Option pursuant to this subsection 4(a), is not in default under this Agreement, and no event shall have occurred which, with the giving of notice or the passage of time, or both, would constitute such a default, the Treasure Island Redevelopment Project Director shall extend the period of such Extension Option until the earlier to occur of (i) the date that the Authority and the Developer enter into a DDA for the Marina, (ii) this Agreement is earlier terminated pursuant to the terms of this Agreement, or (iii) June 30, 2010; provided, that the Treasure Island Redevelopment Project Director determines that the inability to complete the Transaction Documents within the initial term as extended by the Extension Option was beyond the Developer's control. Except as otherwise provided in Section 4(b) below, no further extensions beyond the Extension Option described in this Section are permitted under this Agreement."
2. The last paragraph in subsection 4(b) of the Agreement is hereby amended to read as follow:

"The foregoing notwithstanding, in no event shall the term of the Exclusive Right continue beyond December 31, 2010 (the "Upset Date")."
3. Except as otherwise expressly amended by this Sixth Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Authority and the Developer have duly executed and delivered this Sixth Amendment as of the date first written above.

AUTHORITY:

TREASURE ISLAND DEVELOPMENT
AUTHORITY, a non-profit, public benefit
corporation

By: _____
Name: _____
Its: _____

DEVELOPER:

TREASURE ISLAND ENTERPRISES, LLC,
a California limited liability company

By: OA3, LLC, a California
limited liability corporation

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:

Dennis J. Herrera,
City Attorney

By _____
Eileen M. Malley
Deputy City Attorney







[Addendum to Marina Term Sheet]

Resolution retroactively approving a Third Addendum to the Term Sheet for the Disposition and Development Agreement and Ground Lease between the Treasure Island Development Authority and Treasure Island Enterprises, LLC, for the redevelopment of the Treasure Island Marina.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors, has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, On February 17, 1999, the Board of Directors of the Authority authorized the Executive Director of the Authority to enter into exclusive negotiations with Treasure Island Enterprises, LLC ("TIE") for the redevelopment of the Treasure Island Marina; and,

WHEREAS, On June 22, 1999, the Executive Director of the Authority entered into a 12-month Exclusive Negotiating Agreement (the "Marina ENA") with TIE with one 6-month extension option (the "Extension Option") for the redevelopment of the Treasure Island Marina; and,

WHEREAS, The initial 12-month term expired and TIE duly exercised its Extension Option; and,

WHEREAS, On November 4, 2001, the Authority approved a detailed term sheet (the "Marina Term Sheet") as the basis for a Disposition and Development Agreement and Ground Lease for the redevelopment of a new Marina in Clipper Cove, including certain landside improvements (the "Phase II Landside Improvements"); and,

WHEREAS, After issuing a request for proposals, the Authority entered into another exclusive negotiating agreement (the "TICD ENA") with Treasure Island Community Development, LLC ("TICD") for the master development of the remainder of the Base; and,

WHEREAS, On November 10, 2004, the Authority approved an Addendum to the Marina Term Sheet (the "First Addendum") that subordinates TIE's rights to develop the Phase II Landside Improvements to any rights granted to TICD to develop the area on which the Phase II Landside Improvements were contemplated to be developed; and,

WHEREAS, The subordination of TIE's rights to develop the Phase II Landside Improvements is subject to certain terms and conditions set forth in the First Addendum, including the condition under Section 2(a) of the First Addendum that the Disposition and Development Agreement with TICD (the "TICD DDA") shall be executed no later than December 31, 2006; and,

WHEREAS, In 2006, the Treasure Island Citizens' Advisory Board, the Authority Board of Directors, and the San Francisco Board of Supervisors each endorsed the Development Plan and Term Sheet for the Redevelopment of Treasure Island; and,

WHEREAS, On October 10, 2007, the Authority Board authorized the extension of the outside date for execution of the TICD DDA to December 31, 2008; and,

WHEREAS, The adoption of a redevelopment plan for the Base, which is required prior to the execution of the TICD DDA, has been delayed until the necessary additional environmental review for the master development plan can be completed; and,

WHEREAS, The Authority staff recommends that the outside date for execution of the TICD DDA be extended to June 30, 2010, which is the outside date for expiration of the TICD ENA; now therefore, be it

RESOLVED, That the Board of Directors hereby approves the Third Addendum to the Marina Term Sheet and authorizes the Treasure Island Redevelopment Project Director to execute such Third Addendum in substantially the form attached hereto as Exhibit A to extend the outside date for execution of the TICD DDA until June 30, 2010; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure Island Redevelopment Project Director to enter into any additions, amendments or other modifications to the Third Addendum that the Treasure Island Redevelopment Project Director determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Third Addendum, such determination to be conclusively evidenced by the execution and delivery by the Treasure Island Redevelopment Project Director of the documents and any amendments thereto.

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CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling
Secretary

ITEM 8H, EXHIBIT A

Third Addendum to

Term Sheet

This Third Addendum to Term Sheet ("Third Addendum") is executed as of December 31, 2008, between the Treasure Island Development Authority (the "Authority") and Treasure Island Enterprises, LLC ("TIE"), with respect to and as an amendment to that certain Term Sheet dated November 8, 2000 (the "Original Term Sheet"), as amended by the Addendum to Term Sheet dated as of November 10, 2004 (the "First Addendum") and the Second Addendum to Term Sheet dated as of October 10, 2007 (the "Second Addendum"), summarizing the basic terms of a proposed lease disposition and development agreement ("DDA") between the Authority and TIE for the development of the Treasure Island Marina (the "Marina") pursuant to an Exclusive Negotiating Agreement between the Authority and TIE for the Marina ("ENA"). The Original Term Sheet, the First Addendum and the Second Addendum are collectively referred to herein as the "Term Sheet." Capitalized terms not otherwise defined in this Third Addendum shall have the meaning given in the Term Sheet. This Third Addendum amends the Term Sheet, and to the extent that any provisions of the Term Sheet are inconsistent or conflict with the provisions of this Third Addendum, the provisions of this Third Addendum shall govern and supersede any such inconsistent provisions of the Term Sheet.

Facts

This Third Addendum is made with reference to the following facts:

A. The ENA and Term Sheet provide for a DDA and Ground Lease of certain land and water areas on Treasure Island and in Clipper Cove for the development of the Marina in two phases: (i) the Phase I Waterside Improvements, and (ii) the Phase II Landside Improvements, all in substantial accordance with a preliminary development concept attached as Exhibit A to the Term Sheet.

B. The Original Term Sheet provides that TIE shall have an option to develop the Phase II Landside Improvements once (i) TIE has completed the Phase I Waterside Improvements, (ii) the Master Developer has completed certain infrastructure improvements to Treasure Island known as the Basic Base Improvements or, in the alternative, that TIE agrees to provide the same, and (iii) other conditions set forth in the Original Term Sheet have been satisfied.

C. Subsequent to approving the Original Term Sheet, the Authority entered into an exclusive negotiating agreement ("TICD ENA") with Treasure Island Community Development, LLC ("TICD") to be the "Master Developer" of the former Naval Station Treasure Island (the "Base"). The TICD ENA contemplates the execution of a disposition and development agreement ("TICD DDA") between the Authority and TICD for the master development of the Base. Some of TICD's preliminary plans may have conflicted with the provision for Phase II Landside Improvements in the Original Term Sheet. The Authority and TIE executed the First Addendum to eliminate such potential conflicts and provide TICD the first option to develop the area allocated for the Phase II Landside Improvements in a manner that will be consistent with development by TIE of the Phase I Waterside Improvements for the Marina.

D. TICD's first option to develop the area allocated for the Phase II Landside Improvements is subject to certain terms and conditions described in the First Addendum and the

Second Addendum, including the condition that the TICD DDA shall have been executed no later than December 31, 2008 (the "TICD DDA Completion Date").

E. In 2006, the Treasure Island Citizens Advisory Board, the Authority's Board of Directors and the San Francisco Board of Supervisors each endorsed the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island.

F. Due to circumstances beyond TICD's control, including the completion of any necessary environmental review of the master development plan for the Base, (i) the transfer of the Property from the Navy, which will enable the expansion of the Marina, has not been consummated, (ii) the redevelopment plan for the Base has not been adopted, and (iii) TICD and the Authority have not completed the TICD DDA.

G. The term of the TICD ENA has been extended to December 31, 2009, subject to an additional extension of up to six (6) months if the Authority and the Navy do not execute a Term Sheet for the conveyance and transfer of the Property by December 31, 2008.

H. The parties desire to amend the Term Sheet to extend the TICD DDA Completion Date until June 30, 2010, which is the outside date for extension of the TICD ENA.

Agreement

In consideration of the foregoing facts, the Authority and TIE hereby amend the Term Sheet as set forth in this Third Addendum.

1. Section 2 (a) of the First Addendum, as amended by Section 1 of the Second Addendum, is hereby deleted in its entirety and replaced with the following:

"(a) that the TICD DDA shall be executed no later than June 30, 2010;"

2. This Third Addendum amends the Term Sheet, and to the extent that any provisions of the Term Sheet are inconsistent or conflict with the provisions of this Third Addendum, the provisions of this Third Addendum shall govern the drafting of the DDA and supersede any such inconsistent provisions of the Term Sheet. Except as expressly amended by this Third Addendum, all of the terms and conditions of the Term Sheet shall remain in full force and effect.

Read and approved by:

AUTHORITY:

TREASURE ISLAND DEVELOPMENT
AUTHORITY, a non-profit, public benefit
corporation

By: _____
Name: _____
Its: _____

TIE:

TREASURE ISLAND ENTERPRISES, LLC
a California limited liability company

By: OA3, LLC, a California
limited liability corporation

By: _____
Name: _____
Its: _____



AGENDA ITEM 8I
Treasure Island Development Authority
City and County of San Francisco
Meeting of January 14, 2009

Subject: Resolution Retroactively Approving and Authorizing the Execution of a First Amendment with Island Creative Management, LLC, a limited liability company for Parcel A: approximately 138,661 square feet of shed space located at Building 2; and Parcel B: approximately ten thousand (10,000) square feet of nonexclusive use of land located on the east side of Building 2, Treasure Island

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

Island Creative Management, LLC, a limited liability company (hereafter referred to as "Island Creative"), has been a subtenant in good standing with the Treasure Island Development Authority (hereafter referred to as the "Authority") for over five years. During this period, Island Creative has acted as a responsible Treasure Island community partner. They have donated event production labor services and theatrical equipment for nonprofit events and fundraisers on Treasure Island.

SUBLEASE TERMS AND CONDITIONS

Island Creative will sign the Authority's standard form Amendment to Sublease document. The salient terms and conditions of the proposed First Amendment include the following:

Premises: Parcel A: approximately 138,661 square feet of shed space located at Building 2; and Parcel B: approximately 10,000 square feet of nonexclusive use of land located on the east side of Building 2, Treasure Island

Location: Building 2, Treasure Island

Commencement Date: December 1, 2008

Lease Expiration Date: November 30, 2009

Lease Term: Month-to-Month

Base Rent: \$26,500.00 (Nineteen (\$0.19) per square foot) per month

Use: Parcel A: General storage, set design and production, and administrative office use only and for no other purpose; and Parcel

B: Nonexclusive use for vehicle parking in accordance with any parking restrictions imposed by the Authority only and for no other purpose.

Security Deposit: \$26,500.00

PROPOSED MONTHLY BASE RENT

Under the Authority's Interim Subleasing Policy, the Minimum Rental Rate Schedule sets ranges of minimum sublease rental rates per square foot by type of use and facility for office and industrial space. Authority Staff reviews and analyzes available commercial data including market comparables of properties similarly situated to the Authority properties and evaluates the Authority transactions over the past 12 months to establish fair market value. The Authority Board last approved the Minimum Rental Rate Schedule in July 2007, by Resolution No. 07-54-07/11. Per the Schedule, the minimum monthly rental rate for space at Building 2 is \$.10 PSF. Authority Staff and Island Creative have negotiated a First Amendment that increases the Base Rent from \$21,480 (\$0.15 per square foot) to \$26,500.00 (\$0.19 per square foot) per month.

Under the Authority's Interim Sublease Policy, the Security Deposit is set at two times Base Rent. Island Creative is requesting a Security Deposit equal to one month Base Rent totaling \$26,500. Given the history of Island Creative as being a tenant in good standing, Authority Staff agrees with Island Creative's request to reduce the Security Deposit to one month Base Rent.

BUDGET IMPACT

The proposed Amendment will provide an increase of approximately \$60,240.00 per year to the Authority's budget.

RECOMMENDATION

The Authority Staff recommends that the Authority Board of Directors retroactively approve the First Amendment with Island Creative Management, LLC, a limited liability company, and authorize the Director of Island Operations or her designee to execute the First Amendment for Parcel A: approximately 138,661 square feet of shed space located at Building 2; and Parcel B: approximately ten thousand (10,000) square feet of nonexclusive use of land located on the east side of Building 2, Treasure Island, for a month-to-month term, and subject to the additional terms and conditions set forth above.

EXHIBIT A – First Amendment to Sublease No. 54 between the Treasure Island Development Authority and Island Creative Management, LLC, a limited liability company

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

FILE NO. _____

[First Amendment with Island Creative Management, LLC.]

Resolution Retroactively Approving and Authorizing the Execution of a First Amendment with Island Creative Management, LLC, a limited liability company for Parcel A: approximately 138,661 square feet of shed space located at Building 2; and Parcel B: approximately ten thousand (10,000) square feet of nonexclusive use of land located on the east side of Building 2, Treasure Island.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, Island Creative Management, LLC, a limited liability company (hereafter referred to as "Island Creative"), has been a subtenant in good standing for over five years; and,

WHEREAS, Under the proposed First Amendment to Sublease ("First Amendment"), Island Creative is requesting an extension of its month-to-month Sublease for use of Building 2 located on Treasure Island, with a monthly base rent of \$26,500.00 or \$.19 per square foot

that is consistent with the Authority's Approved Minimum Rent Schedule for 2007 and 2008; and,

WHEREAS, Island Creative is requesting the Security Deposit be reduced from two times Base Rent to one month's Base Rent totaling \$26,500.00; and,

WHEREAS, Although the Authority usually requires a Security Deposit equal to two times Base Rent, given the history of Island Creative as being a tenant in good standing, Authority Staff believes a Security Deposit of one month is sufficient; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the First Amendment with Island Creative for Parcel A: approximately 138,661 square feet of shed space located at Building 2; and Parcel B: approximately ten thousand (10,000) square feet of nonexclusive use of land located on the east side of Building 2, and authorizes the Director of Island Operations or her designee to execute said First Amendment in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the First Amendment will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the First Amendment are economically reasonable; and b
it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the First Amendment that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the First Amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling, Secretary

ITEM 8I, EXHIBIT A

FIRST AMENDMENT TO SUBLEASE NO. 54

THIS FIRST AMENDMENT TO SUBLEASE (this "First Amendment"), dated for reference purposes only as of December 1, 2008, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and ISLAND CREATIVE MANAGEMENT, LLC, a limited liability company ("Subtenant").

RECITALS

A. Sublandlord and Subtenant entered into that certain Sublease dated for reference purposes as of December 1, 2007 (the "Original Sublease"), for approximately one hundred thirty eight thousand six hundred and sixty one (138,661) square feet of shed space located at Building 2, 440 California Avenue, Treasure Island, San Francisco, California (the "Initial Premises"), as more particularly described in the Original Sublease. The term of the Original Sublease expires on November 30, 2008.

B. Sublandlord and Subtenant desire to amend the Original Sublease to expand the Initial Premises to (i) include the nonexclusive use of approximately ten thousand (10,000) square feet of land located on the east side of Building 2 (the "Additional Premises"), (ii) increase the Base Rent and Security Deposit accordingly, and (iii) extend the Term, on the terms and conditions set forth in this First Amendment.

C. The Original Sublease and this First Amendment shall collectively be referred to as the "Sublease". All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Sublease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the Sublandlord and Subtenant hereby amend the Sublease as follows:

AGREEMENT

- 1. Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.
- 2. Effective Date.** The effective date of this First Amendment shall be December 1, 2008 (the "Effective Date").
- 3. Premises.** As of the Effective Date, the Premises described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Parcel A: approximately one hundred thirty eight thousand six hundred and sixty one (138,661) square feet of shed space located at Building 2 (the "Initial Premises"); and Parcel B: approximately ten thousand (10,000) square feet of nonexclusive use of land located on the east side of Building 2 (the "Additional Premises"), 440 California Avenue, Treasure Island, San Francisco, California, all as more particularly shown on Exhibit B attached hereto and made a part hereof. The Initial Premises and the Additional Premises are collectively referred to in this Sublease as the "Premises"."

All references to "Premises" and "Exhibit B" in the Sublease shall mean the Premises described herein and shown on the amended Exhibit B attached to this First Amendment.

4. **Term.** As of the Effective Date, the Term described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Commencement date: December 1, 2007

Expiration date: November 30, 2009

Notwithstanding anything in this Sublease to the contrary, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party."

5. **Base Rent.** As of the Effective Date, the Base Rent described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Twenty Six Thousand Five Hundred Dollars (\$26,500.00) (Nineteen (\$0.19) per square foot) per month"

6. **Use.** As of the Effective Date, the Use described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Parcel A: General storage, set design and production, and administrative office use only and for no other purpose; and Parcel B: Nonexclusive use for vehicle parking in accordance with any parking restrictions imposed by the Authority only and for no other purpose."

7. **Security Deposit.** As of the Effective Date, the Security Deposit described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Twenty Six Thousand Five Hundred Dollars (\$26,500.00)"

8. **Counterparts.** This First Amendment may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof.

9. **Full Force and Effect.** Except as specifically amended herein, the terms and conditions of the Sublease shall remain in full force and effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this First Amendment to Sublease at San Francisco, California, as of the date first above written.

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____

Mirian Saez
Director of Island Operations

SUBTENANT:

ISLAND CREATIVE MANAGEMENT, LLC.
a limited liability company

By: _____

Its: _____

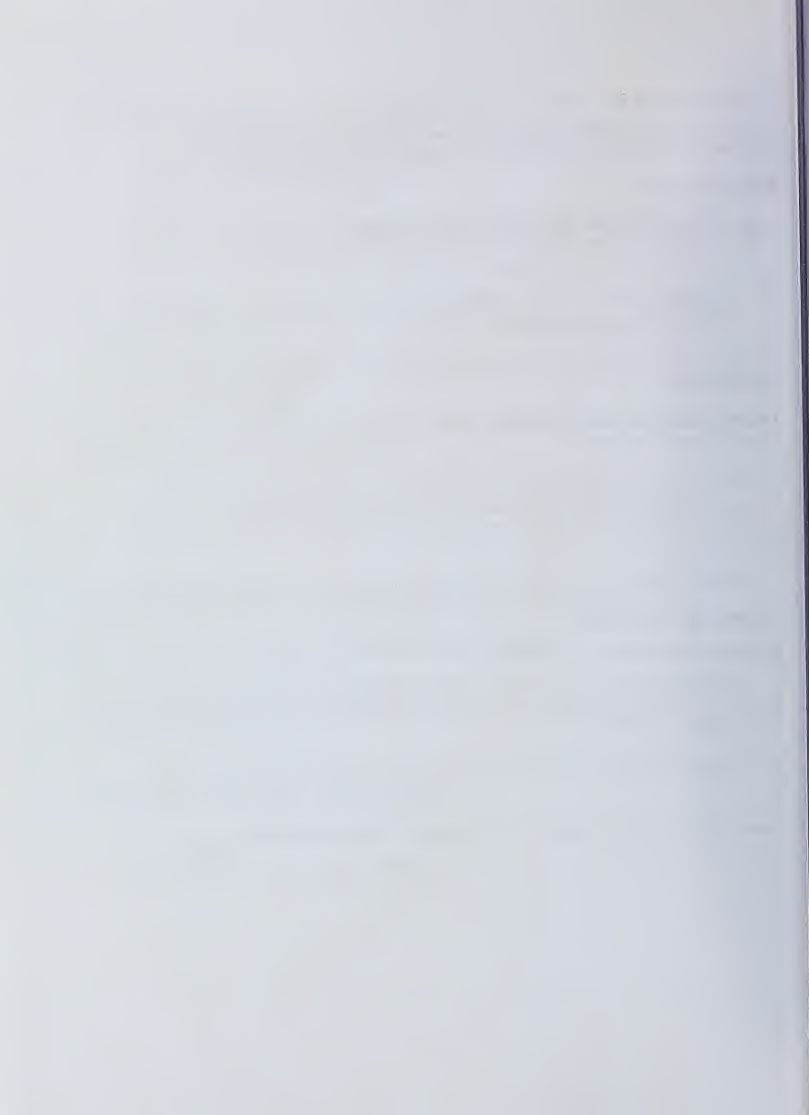
APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____

Deputy City Attorney

Amendment Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)





AGENDA ITEMS 8J & 8K
Treasure Island Development Authority
City and County of San Francisco
Meeting of January 14, 2009

Subject: Resolution Authorizing the Director of Island Operations to Execute a Use Permit with Hartmann Studios, Inc. for Production of the Oracle OpenWorld Appreciation Event in 2009 (Action Item)

and

Resolution Authorizing the Director of Island Operations to Execute a Use Permit with Hartmann Studios, Inc. for Production of the Oracle OpenWorld Appreciation Event in 2010 (Action Item)

Contact: Mirian Saez, Director of Island Operations

Phone: 415-274-0660

BACKGROUND

In September 2008, the Authority entered into a Use Permit with Hartmann Studios Inc. ("Hartmann"), an event production company headquartered in Richmond, CA , for Hartmann to produce the Oracle OpenWorld Appreciation Event on Treasure Island. The Appreciation Event is a private event for Oracle Corporation's clients and customers held at the end of the yearly OpenWorld Convention held in San Francisco. Hartmann Studios utilized Hangar 3, the Hangar 3 parking lot, Pier 1, and unimproved areas surrounding the vicinity of Hangar 3 for event set-up, production of the event and production support. Additional parking lots on-Island were utilized for transportation and parking needs on the night of the event only. The 2008 Appreciation Event was attended by approximately 25,000 guests throughout the course of the evening, with all guests transported on and off the Island by shuttle buses. Due to the success of the 2008 Appreciation Event on-Island, Hartmann Studios has approached Project Office staff requesting a Use Permit to allow for production of the Appreciation Event on behalf of Oracle Corporation in both 2009 and 2010.

TERMS OF USE PERMIT

The 2009 Appreciation Event will be held in mid-October. The 2010 Appreciation Event will be held in late September of that year. The requested Use Permit term for 2009 is September 28 through October 25, 2009, and for 2010 is September 6 to October 3, 2010. Terms of this length are required in order to accommodate the events' associated set-up and take-down time. As in 2008, the requested Event Premises for 2009 and 2010 includes Hangar 3, the Hangar 3 parking lot, Pier 1, and various parcels adjacent to Building 3 and Pier 1. A map of the proposed Event Premises is attached as Exhibit A. In addition, Hartmann Studios requests additional areas, including the Building 180 and Great Lawn parking lots, for night-of parking only.

Project Office staff and Hartmann Studios have negotiated a proposed two year Permit Fee of \$75,000 per year for the requested Premises. The proposed Permit Fee represents a thirty-nine percent increase over the Permit Fee paid by Hartmann Studios for production of the 2008 event. Based on review of fees charged for events at similar local venues including the Cow Palace and Port of San Francisco, the new revenue generated from otherwise vacant parcels of land, the jobs created through the TIHDI Job Broker program, and the overall economic benefit to the City of San Francisco provided by the yearly OpenWorld Conference, Authority staff believes the proposed annual Permit Fees represent fair market value for the Premises over a two year period. Authority Board approval of these Use Permits for 2009 and 2010 is required because the final proposed Permit Fee for the OpenWorld Appreciation Event is reduced from what the total rate would be if all venue use fees and rates for unimproved land were calculated using the Authority's Special Event and Commercial Leasing rate schedule.

The Use Permit Premises are subject to the Navy Master Leases for the South Waterfront Area, Event Venues and Land and Structures, which expire November 30, 2009. The Use Permit for the 2010 OpenWorld Appreciation Event is conditioned upon the extension of the Master Lease through the expiration date of the 2010 Use Permit.

Hartmann Studios has produced numerous events on Treasure Island over the past several years. During the 2008 Appreciation Event, Hartmann Studios was attentive to Project Office staff needs and Island requirements, including coordinating appropriate mass transportation methods, limiting overall impact on Treasure and Yerba Buena Islands, and assuring constant communication with commercial tenants in the immediate vicinity of the Premises.

FINANCIAL IMPACT

This event will increase Authority Special Events Revenues by \$75,000 in both FY2009-2010 and FY2010-2011.

RECOMMENDATION

Staff recommends approval of these items and authorization for the Director of Island Operations or her designee to execute said Use Permits with Hartmann Studios Inc. for production of the Oracle OpenWorld Appreciation Event in 2009 and 2010.

- Item 8J, Exhibit A: Use Permit between TIDA and Hartmann Studios for 2009
- Item 8J, Exhibit B: Map of proposed footprint for Hartmann Studios Use Permits
- Item 8K, Exhibit A: Use Permit between TIDA and Hartmann Studios for 2010

Prepared by: Peter Summerville, Leasing Manager
For: Mirian Saez, Director of Island Operations

[Use Permit with Hartmann Studios, Inc.]

**RESOLUTION AUTHORIZING THE DIRECTOR OF ISLAND OPERATIONS TO EXECUTE
A USE PERMIT WITH HARTMANN STUDIOS, INC. FOR PRODUCTION OF THE ORACLE
OPENWORLD APPRECIATION EVENT IN 2009**

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, Under the proposed Use Permit, Hartmann Studios, Inc., a California Corporation, is requesting to use multiple venues and unimproved land on Treasure Island, commencing September 28th, 2009 and terminating October 25th 2009, with a Permit Fee of \$75,000, for the sole purpose of producing the Oracle OpenWorld Appreciation Event on Treasure Island; and,

WHEREAS, Under the Authority Special Events Policy rate schedule, the Permit Fee calculated on a daily per square footage basis would be \$149,806; and,

WHEREAS, Authority Staff believes that the proposed Permit Fee of \$75,000 represents fair market value for this Use Permit at this time based on the use of several

normally non-revenue generating areas of the Island and on-Island job-creation opportunities provided by large on-Island Special Events; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the Use Permit with Hartmann Studios, Inc., a California Corporation, for use of various land and structures on former Naval Station Treasure Island for the purpose of producing the Oracle OpenWorld Appreciation Event for a term commencing September 28, 2009 and expiring October 25, 2009, and authorizes the Director of Island Operations or her designee to execute said Use Permit in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Use Permit will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Use Permit are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Use Permit that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Use Permit, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling, Secretary



ITEM 8J, EXHIBIT A

P-117 USE PERMIT

THIS USE PERMIT (this "Permit") dated for reference only as of January 15, 2009, is made by and between the Treasure Island Development Authority ("Authority") and Hartmann Studios, Inc., a California corporation ("Permittee").

RECITALS

WHEREAS, pursuant to that certain Lease between the United States of America and Treasure Island Development Authority for Event Venues Naval Station Treasure Island, and that certain Lease between the United States of America and Treasure Island Development Authority for South Waterfront Naval Station Treasure Island, and that certain Lease between the United States of America and Treasure Island Development Authority for Land and Structures Naval Station Treasure Island (collectively, the "Master Lease"), by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use that certain property located on Naval Station Treasure Island (the "Property"), as more particularly described in the Master Lease; and

WHEREAS, Permittee seeks to use a portion of the Property for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. Basic Permit Information

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation
------------	--

Permittee:	HARTMANN STUDIOS, INC., a California corporation
------------	---

Premises (Section 2):

Parcel A: approximately 144,767 square feet of hangar space at Building 3 and approximately 256,000 square feet of paved land located adjacent to Building 3 ; and

Parcel B: approximately 71,000 square feet of pier space at Pier 1; and

Parcel C: approximately 175,000 square feet of land located at the triangular lot at California Avenue, Avenue M, Avenue N and 3rd Street; and

Parcel D: approximately 57,500 square feet of land located at California Avenue and Avenue M between 3rd Street and Avenue I; and

Parcel E: approximately 120,000 square feet of paved land located adjacent to the south of Building 2 at First Street between Avenue D and Avenue H; and

Parcel F: approximately 68,000 square feet of land located between Avenue M, Avenue I, 3rd Street and 5th Street; and

Parcel G: approximately 242,350 square feet of paved land located adjacent to Building 180 between Avenue B, Avenue D, California Avenue and First Street; and

Parcel H: approximately 91,200 square feet of paved land located between California Avenue, 4th Street, Avenue B and Avenue C; and

Parcel I: approximately 68,250 square feet of paved land located between Avenue of Palms, Ninth Street, Avenue B and 4th Street, more commonly known as the Great Lawn Parking Lot; and

Parcel J: Approximately 72,000 square feet of land located between Avenue N, Avenue M, 3rd Street and 4th Street.

all as more particularly shown on Exhibit B, attached hereto.

Structural Report (Section 5):	"Seismic Evaluation of Buildings 2 and 3: Volume I – Project Report" prepared for the City and County of San Francisco by SOH & Associates, July 19, 1996.
Permitted Use (Section 6):	To produce the Oracle OpenWorld 2009 event, and for no other purpose whatsoever
Parking Rights (Section 7):	No more than 1,500 vehicles are permitted to park at the Premises for the event. All vehicles must be parked within Parcels A, B, C, D, E, F, G, H, I and J as shown on <u>Exhibit B</u> , at all times.
Permit Fees (Section 11):	Seventy Five Thousand Dollars (\$75,000)
Term (Section 12):	<p>Parcels A, B, C, D, E: Commencement Date and Time: September 28th, 2009 at 6:00 A.M.</p> <p>Expiration Date and Time: October 25th, 2009 at 11:59 P.M.</p> <p>Parcels F, J: Commencement Date and Time: October 5th, 2009 12:01 A.M.</p> <p>Expiration Date and Time: October 16th, 2009 at 11:59 P.M.</p> <p>Parcel G: Commencement Date and Time: October 13th, 2009 at 12:01 A.M.</p> <p>Expiration Date and Time: October 14th, 2009 at 11:59 P.M.</p> <p>Parcels H, I: Commencement Date and Time: October 14th, 2009 at 12:01 A.M.</p> <p>Expiration Date and Time: October 14th, 2009 at 11:59 P.M.</p> <p>October 14, 2009 is the Event Date. All other dates shall be for set-up and take-down purposes only.</p>
Utilities (Section 19):	Permittee shall contract directly with the San Francisco Public Utilities Commission (PUC) for utilities and shall pay associated costs directly to PUC

Additional Permittee Requirements:

This Use Permit is issued subject to Permittee's compliance with the following requirements, subject to review by the Authority or the applicable City and County of San Francisco permitting departments:

- Approval by the San Francisco Police Department of a Transportation Management Plan addressing event traffic flow for arrival to and exit from Treasure Island; and of a Security Plan for the event. Reasonable and customary SF Police Officers needed for the event will be at the full cost of Hartmann Studios.
- Proof of issuance of all event-specific permits required by San Francisco Fire Department, Department of Building Inspection and Department of Public Health related to an Emergency Medical Plan, public assembly, temporary erection of tenting and other temporary structures, open flame, hazardous materials storage and food and beverage service. Reasonable and customary SFFD staffing needed for the event will be at the full cost of Hartmann Studios.
- Submittal to the Authority of a Waste Reduction Plan for the event, including proof of refuse service, a detailed recycling plan and/or proof of an event contract with an event recycling organization approved by the City and County of San Francisco's Department of the Environment.

Insurance Limits (Section 21):

Worker's Compensation Insurance - statutory amounts

Employers' Liability Coverage with limits of not less than \$1,000,000 for each accident or occurrence

Comprehensive or Commercial General Liability Insurance with limits not less than \$3,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage

Comprehensive or Business Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage

Address for Notices (Section 26):

Authority:

Treasure Island Development Authority
410 Avenue of the Palms
Building 1, 2nd Floor
Treasure Island
San Francisco, CA 94130
Attn.: Director of Island Operations
Phone No.: (415) 274-0660
Fax No.: (415) 274-0299

Permittee:

Hartmann Studios Incorporated
100 West Ohio Avenue
Richmond, CA 94804

Attn.: Mike Guelfi
Phone No.: 510-232-5030
Fax No.: 510-232-4301

Security Deposit (Section 33):

Thirty Seven Thousand Five Hundred Dollars
(\$37,500)

2. **License of Premises.** Authority confers to Permittee a revocable, personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. **Inspection of Premises.** Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. **As Is; Disclaimer of Representations.** Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy,

management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. Seismic Report and Structural Report. Without limiting Section 4 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions*," prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. Use of Premises. Permittee may enter and use the Premises for the sole purpose described in the Basic Permit Information. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Licensees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) Hazardous Material. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Premises to the

condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 *et seq.*, or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) **Nuisances.** Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) **Damage.** Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority property.

7. **Parking.** Permittee shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the area designated for parking on **Exhibit B** attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises..

8. **Resource Conservation and Sustainability.** Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 32 below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and shall conduct its operations in accordance with all applicable environmental laws.

California State Bill, AB 2176 (Montanez, Chapter 879, Statutes of 2004) and the San Francisco Environment Code require all operators of large events to maximize recycling and minimize waste in order to achieve high rates of landfill diversion. If Permittee's use of the Premises will host over 1,000 people, Permittee shall comply with the following requirements not later than thirty (30) days prior to the scheduled event:

- A. Submit a recycling and waste reduction plan to the Treasure Island Event Coordinator.
- B. Provide proof of attendance at an event recycling workshop or hire an approved event recycling crew. Contact the SF Department of the Environment's recycling program at 355-3754 for more information on workshops and approved recycling services.

- C. Submit proof of recycling, trash and composting (if applicable) collection services. Proof of service can be obtained from the permitted refuse hauler, Golden Gate Disposal and Recycling (www.sfrecycling.com or 330-1300).

9. **Subject to Authority and City Uses.** Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day.

10. **Alterations.** Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

11. **Permit Fee.** Permittee shall pay to Authority a one-time non-refundable permit fee in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Such fee is payable at such time as Permittee signs and delivers this Permit to Authority. Within five (5) days after demand therefor, Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

12. **Term of Permit; Revocability.** The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and Time set forth in the Basic Permit Information and shall automatically expire on the Expiration Date and Time set forth in the Basic Permit Information, unless amended in writing or sooner terminated or revoked pursuant to the terms hereof. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate. Without limiting any of its rights hereunder, Authority may revoke this Permit at any time prior to the Expiration Date and Time, without cause and without any obligation to pay any consideration to Permittee.

13. **Compliance with Laws.** Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other

regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations and regulating the posting of signs on public property. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee at its sole cost and expense shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g., General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises.

14. Security. In addition to the Permit Fee described in Section 11 above, Permittee shall provide the security, police and medical support services described on Exhibit E, attached hereto, at its sole cost and expense.

15. Rules and Regulations. In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as Exhibit F. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

16. Surrender; No Holding Over. Upon the expiration of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit.

If Permittee fails to surrender the Premises to Authority upon the expiration or earlier termination of this Permit as required by this Section, Permittee shall indemnify, protect, defend and hold harmless forever ("Indemnify") Authority against all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") resulting therefrom, including, without limitation, Losses made by a succeeding permittee resulting from Permittee's failure to surrender the Premises. Permittee shall have no right to hold over without the prior written consent of Authority, which consent may be withheld in Permittee's sole and absolute discretion. If Permittee holds over the Premises or any part thereof after expiration or earlier termination of this Permit, such holding over shall be terminable upon written notice by Permittee, and the Permit Fee shall be increased

to two hundred percent (200%) of the Permit Fee in effect immediately prior to such holding over, calculated on a per diem basis, and such holdover shall otherwise be on all the other terms and conditions of this Permit. This Section shall not be construed as Authority's permission for Permittee to hold over. Acceptance of any holdover Permit Fee by Authority following expiration or termination of this Permit shall not constitute an extension or renewal of this Permit.

17. Repair of Damage. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs or behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property, the final repair costs owed by Permittee shall be determined by Authority in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

18. Public Safety. Permittee agrees to conduct the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety.

19. Utilities. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities. Permittee shall be solely responsible for arranging and paying for all utilities necessary in connection with the Permitted Uses as set forth in the Basic Permit Information. Any such payment shall be due and payable within five (5) days after demand therefor.

20. Release and Waiver of Claims; Indemnification

20.1. Release and Waiver of Claims. Permittee, on behalf of itself and Permittee's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Authority (except as provided in Section 20.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Authority from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or

proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 20.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

20.2. Acknowledgment. Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

20.3. Permittee's Indemnity. Permittee, on behalf of itself and Permittee's Agents, shall Indemnify the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees, or of any trespassers, in, on or about the Premises or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 20.3 shall remain in full force and effect regardless of whether or not the Authority's decision to permit the Premises to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and

Authority's costs of investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 20.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

21. INSURANCE

21.1. Permittee's Insurance. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Permittee has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

21.2. Claims Made Policy. Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

21.3. Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

21.4. Additional Insureds. Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

21.5. Payment of Premiums. Permittee shall pay all the premiums for maintaining all required insurance.

21.6. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

21.7. General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

21.8. No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

21.9. Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

21.10. Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

22. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

23. No Joint Venture or Partnership; Independent Contractor. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

24. Impossibility of Performance. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

25. Possessory Interest Taxes; Payment of Taxes. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

26. Notices. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information. Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

27. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, *et seq.* The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

28. Non-Discrimination.

28.1 Covenant Not to Discriminate. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

28.2 Subcontracts. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 28.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

28.3 Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or

where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

28.4 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

29. Tropical Hardwoods and Virgin Redwood. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

30. No Tobacco Advertising. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

31. Conflicts of Interest. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

32. Food Service Waste Reduction. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. This ordinance prohibits the use of polystyrene foam disposable food service ware and requires the use of compostable or recyclable food service ware by anyone serving food in San Francisco. The provisions of Chapter 16 are incorporated herein by

reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

33. Security Deposit. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 33, Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

34. Notification of Limitations on Contributions. Through its execution of this Permit, Permittee acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Permittee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Permittee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Permittee's board of directors; Permittee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Permittee; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Permittee. Additionally, Permittee acknowledges that Permittee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

35. Intellectual Property; Music Broadcasting Rights. Permittee shall be solely responsible for obtaining any necessary clearances or permissions for the use of intellectual property, including, but not limited to musical or other performance rights. (Note to Permittee:

To obtain the appropriate music performance license, you may contact the BMI Licensing Executive toll free at 1-877-264-2137 Monday – Friday, 9-5 p.m. (Central Time) and the American Society of Composers, Authors and Publishers (“ASCAP”) at 1-800-505-4052 Monday – Friday, 9-5 p.m. (Eastern Time)).

36. General Provisions. (a) This Permit may be amended or modified only by a writing signed by Authority and Permittee. (b) No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (d) The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. (e) Time is of the essence. (f) This Permit shall be governed by California law. (g) If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (h) If Permittee consists of more than one person then the obligations of each person shall be joint and several. (i) Permittee may not record this Permit or any memorandum hereof. (j) Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. (k) Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. (l) This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

PERMITTEE:

HARTMANN STUDIOS, a California corporation

By: _____

Name: _____

Title: _____

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____

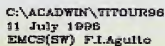
Mirian Saez

Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney



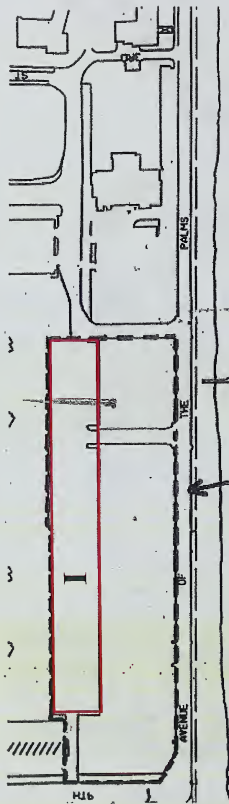


EXHIBIT B

GREAT LAWN
USE PERMIT PREMISES

[Use Permit with Hartmann Studios, Inc.]

**RESOLUTION AUTHORIZING THE DIRECTOR OF ISLAND OPERATIONS TO EXECUTE
A USE PERMIT WITH HARTMANN STUDIOS INC. FOR PRODUCTION OF THE ORACLE
OPENWORLD APPRECIATION EVENT IN 2010**

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, Under the proposed Use Permit, Hartmann Studios, Inc., a California Corporation, is requesting to use multiple venues and unimproved land on Treasure Island, commencing September 6th, 2010 and terminating October 3rd, 2010, with a Permit Fee of \$75,000, for the sole purpose of producing the Oracle OpenWorld Appreciation Event on Treasure Island; and,

WHEREAS, The Navy Master Leases for the Use Permit premises expire November 30, 2009, and the Use Permit is conditioned upon the extension of the Master Leases through the expiration date of the Use Permit; and,

WHEREAS, Under the Authority Special Events Policy rate schedule, the Permit Fee for the Venues as calculated on a daily per square footage basis would be \$149,806; and,

WHEREAS, Authority Staff believes that the proposed Permit Fee of \$75,000 represents fair market value for this Use Permit at this time based on the use of several normally non-revenue generating areas of the Island and on-Island job-creation opportunities provided by large on-Island Special Events; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the Use Permit with Hartmann Studios, Inc., a California Corporation, for use of various land and structures on former Naval Station Treasure Island for the purpose of producing the Oracle OpenWorld Appreciation Event for a term commencing September 6th, 2010 and expiring October 3rd, 2010, and authorizes the Director of Island Operations or her designee to execute said Use Permit in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Use Permit will serve the goals of the Authority and the public interests of the City, and (i) the terms and conditions of the Use Permit are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Use Permit that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Use Permit, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling, Secretary



ITEM 8K, EXHIBIT A

P-118
USE PERMIT

THIS USE PERMIT (this "Permit") dated for reference only as of January 15, 2009, is made by and between the Treasure Island Development Authority ("Authority") and Hartmann Studios, Inc., a California corporation ("Permittee").

RECITALS

WHEREAS, pursuant to that certain Lease between the United States of America and Treasure Island Development Authority for Event Venues Naval Station Treasure Island, and that certain Lease between the United States of America and Treasure Island Development Authority for South Waterfront Naval Station Treasure Island, and that certain Lease between the United States of America and Treasure Island Development Authority for Land and Structures Naval Station Treasure Island (collectively, the "Master Lease" or "Master Leases"), by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use that certain property located on Naval Station Treasure Island (the "Property"), as more particularly described in the Master Lease; and

WHEREAS, the expiration date of the Master Leases is November 30, 2009 and this Permit will terminate in accordance with Section 12 below unless the Master Leases are extended through the Expiration Date of this Permit; and

WHEREAS, Permittee seeks to use a portion of the Property for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. **Basic Permit Information**

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority: TREASURE ISLAND DEVELOPMENT
AUTHORITY, a California nonprofit public
benefit corporation

Permittee: HARTMANN STUDIOS, INC.,
a California corporation

Premises (Section 2):

Parcel A: approximately 144,767 square feet of hangar space at Building 3 and approximately 256,000 square feet of paved land located adjacent to Building 3 ; and

Parcel B: approximately 71,000 square feet of pier space at Pier 1; and

Parcel C: approximately 175,000 square feet of land located at the triangular lot at California Avenue, Avenue M, Avenue N and 3rd Street; and

Parcel D: approximately 57,500 square feet of land located at California Avenue and Avenue M between 3rd Street and Avenue I; and

Parcel E: approximately 120,000 square feet of paved land located adjacent to the south of Building 2 at First Street between Avenue D and Avenue H; and

Parcel F: approximately 68,000 square feet of land located between Avenue M, Avenue I, 3rd Street and 5th Street; and

Parcel G: approximately 242,350 square feet of paved land located adjacent to Building 180 between Avenue B, Avenue D, California Avenue and First Street; and

Parcel H: approximately 91,200 square feet of paved land located between California Avenue, 4th Street, Avenue B and Avenue C; and

Parcel I: approximately 68,250 square feet of paved land located between Avenue of Palms, Ninth Street, Avenue B and 4th Street, more commonly known as the Great Lawn Parking Lot; and

Parcel J: Approximately 72,000 square feet of land located between Avenue N, Avenue M, 3rd Street and 4th Street.

All as more particularly shown on Exhibit B, attached hereto.

Structural Report (Section 5):	"Seismic Evaluation of Buildings 2 and 3: Volume I – Project Report" prepared for the City and County of San Francisco by SOH & Associates, July 19, 1996.
Permitted Use (Section 6):	To produce the Oracle OpenWorld 2010 event, and for no other purpose whatsoever
Parking Rights (Section 7):	No more than 1,500 vehicles are permitted to park at the Premises for the event. All vehicles must be parked within Parcels A, B, C, D, E, F, G, H, I, and J as shown on <u>Exhibit B</u> , at all times.
Permit Fees (Section 11):	Seventy Five Thousand Dollars (\$75,000)
Term (Section 12):	<p>Parcels A, B, C, D, E: Commencement Date and Time: September 6th, 2010 at 6:00 A.M.</p> <p>Expiration Date and Time: October 3rd, 2010 at 11:59 P.M.</p> <p>Parcels F, J: Commencement Date and Time: September 12, 2010 12:01 A.M.</p> <p>Expiration Date and Time: September 24, 2010 at 11:59 P.M.</p> <p>Parcel G: Commencement Date and Time: September 21, 2010 at 12:01 A.M.</p> <p>Expiration Date and Time: September 22, 2010 at 11:59 P.M.</p> <p>Parcels H, I: Commencement Date and Time: September 22nd, 2010 at 12:01 A.M.</p> <p>Expiration Date and Time: September 22nd, 2010 at 11:59 P.M.</p> <p>September 22, 2010 is the Event Date. All other dates shall be for set-up and take-down purposes only.</p>
Utilities (Section 19):	Permittee shall contract directly with the San Francisco Public Utilities Commission (PUC) for utilities and shall pay associated costs directly to PUC

Additional Permittee Requirements:

This Use Permit is issued only upon compliance with the following requirements, subject to review by the Authority and the applicable City and County of San Francisco permitting departments:

- Approval by the San Francisco Police Department of a Transportation Management Plan addressing event traffic flow for arrival to and exit from Treasure Island; and of a Security Plan for the event. Reasonable and customary SF Police Officers needed for the event will be at the full cost of Hartmann Studios.
- Proof of issuance of all event-specific permits required by San Francisco Fire Department, Department of Building Inspection and Department of Public Health related to an Emergency Medical Plan, public assembly, temporary erection of tenting and other temporary structures, open flame, hazardous materials storage and food and beverage service. Reasonable and customary SFFD staffing needed for the event will be at the full cost of Hartmann Studios.
- Submittal to the Authority of a Waste Reduction Plan for the event, including proof of refuse service, a detailed recycling plan and/or proof of an event contract with an event recycling organization approved by the City and County of San Francisco's Department of the Environment.

Insurance Limits (Section 21):

Worker's Compensation Insurance - statutory amounts

Employers' Liability Coverage with limits of not less than \$1,000,000 for each accident or occurrence

Comprehensive or Commercial General Liability Insurance with limits not less than \$3,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage

Comprehensive or Business Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage

Address for Notices (Section 26):

Authority: Treasure Island Development Authority
410 Avenue of the Palms
Building 1, 2nd Floor
Treasure Island
San Francisco, CA 94130
Attn.: Director of Island Operations
Phone No.: (415) 274-0660
Fax No.: (415) 274-0299

Permittee: Hartmann Studios Incorporated
100 West Ohio Avenue
Richmond, CA 94804

Attn.: Mike Guelfi
Phone No.: 510-232-5030
Fax No.: 510-232-4301

Security Deposit (Section 33): Thirty Seven Thousand Five Hundred Dollars
(\$37,500)

2. **License of Premises.** Authority confers to Permittee a revocable, personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. **Inspection of Premises.** Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. **As Is; Disclaimer of Representations.** Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy,

management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. Seismic Report and Structural Report. Without limiting Section 4 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions*," prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. Use of Premises. Permittee may enter and use the Premises for the sole purpose described in the Basic Permit Information. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Licensees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) Hazardous Material. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Premises to the

condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) **Nuisances.** Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) **Damage.** Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority property.

7. **Parking.** Permittee shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the area designated for parking on Exhibit B attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises.

8. **Resource Conservation and Sustainability.** Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 32 below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and shall conduct its operations in accordance with all applicable environmental laws.

California State Bill, AB 2176 (Montanez, Chapter 879, Statutes of 2004) and the San Francisco Environment Code require all operators of large events to maximize recycling and minimize waste in order to achieve high rates of landfill diversion. If Permittee's use of the Premises will host over 1,000 people, Permittee shall comply with the following requirements not later than thirty (30) days prior to the scheduled event:

- A. Submit a recycling and waste reduction plan to the Treasure Island Event Coordinator.
- B. Provide proof of attendance at an event recycling workshop or hire an approved event recycling crew. Contact the SF Department of the Environment's recycling program at 355-3754 for more information on workshops and approved recycling services.

- C. Submit proof of recycling, trash and composting (if applicable) collection services. Proof of service can be obtained from the permitted refuse hauler, Golden Gate Disposal and Recycling (www.sfrecycling.com or 330-1300).

9. **Subject to Authority and City Uses.** Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day.

10. **Alterations.** Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

11. **Permit Fee.** Permittee shall pay to Authority a one-time non-refundable permit fee in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Such fee is payable at such time as Permittee signs and delivers this Permit to Authority. Within five (5) days after demand therefor, Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

12. **Term of Permit; Revocability.** The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and Time set forth in the Basic Permit Information and shall automatically expire on the Expiration Date and Time set forth in the Basic Permit Information, unless amended in writing or sooner terminated or revoked pursuant to the terms hereof. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate. Without limiting any of its rights hereunder, Authority may revoke this Permit at any time prior to the Expiration Date and Time, without cause and without any obligation to pay any consideration to Permittee.

13. **Compliance with Laws.** Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other

regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations and regulating the posting of signs on public property. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee at its sole cost and expense shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g., General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises.

14. Security. In addition to the Permit Fee described in Section 11 above, Permittee shall provide the security, police and medical support services described on Exhibit E, attached hereto, at its sole cost and expense.

15. Rules and Regulations. In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as Exhibit F. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

16. Surrender; No Holding Over. Upon the expiration of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit.

If Permittee fails to surrender the Premises to Authority upon the expiration or earlier termination of this Permit as required by this Section, Permittee shall indemnify, protect, defend and hold harmless forever ("Indemnify") Authority against all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") resulting therefrom, including, without limitation, Losses made by a succeeding permittee resulting from Permittee's failure to surrender the Premises. Permittee shall have no right to hold over without the prior written consent of Authority, which consent may be withheld in Permittee's sole and absolute discretion. If Permittee holds over the Premises or any part thereof after expiration or earlier termination of this Permit, such holding over shall be terminable upon written notice by Permittee, and the Permit Fee shall be increased

to two hundred percent (200%) of the Permit Fee in effect immediately prior to such holding over, calculated on a per diem basis, and such holdover shall otherwise be on all the other terms and conditions of this Permit. This Section shall not be construed as Authority's permission for Permittee to hold over. Acceptance of any holdover Permit Fee by Authority following expiration or termination of this Permit shall not constitute an extension or renewal of this Permit.

17. Repair of Damage. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs or behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property, the final repair costs owed by Permittee shall be determined by Authority in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

18. Public Safety. Permittee agrees to conduct the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety.

19. Utilities. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities. Permittee shall be solely responsible for arranging and paying for all utilities necessary in connection with the Permitted Uses as set forth in the Basic Permit Information. Any such payment shall be due and payable within five (5) days after demand therefor.

20. Release and Waiver of Claims; Indemnification

20.1. Release and Waiver of Claims. Permittee, on behalf of itself and Permittee's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Authority (except as provided in Section 20.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Authority from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or

proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 20.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

20.2. Acknowledgment. Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

20.3. Permittee's Indemnity. Permittee, on behalf of itself and Permittee's Agents, shall Indemnify the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees, or of any trespassers, in, on or about the Premises or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 20.3 shall remain in full force and effect regardless of whether or not the Authority's decision to permit the Premises to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and

Authority's costs of investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 20.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

21. INSURANCE

21.1. Permittee's Insurance. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Permittee has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

21.2. Claims Made Policy. Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

21.3. Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

21.4. Additional Insureds. Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

21.5. Payment of Premiums. Permittee shall pay all the premiums for maintaining all required insurance.

21.6. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

21.7. General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

21.8. No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

21.9. Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

21.10. Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

22. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

23. No Joint Venture or Partnership; Independent Contractor. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

24. Impossibility of Performance. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

25. Possessory Interest Taxes; Payment of Taxes. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

26. Notices. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information. Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

27. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

28. Non-Discrimination.

28.1 Covenant Not to Discriminate. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

28.2 Subcontracts. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 28.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

28.3 Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or

where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

28.4 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

29. Tropical Hardwoods and Virgin Redwood. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

30. No Tobacco Advertising. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

31. Conflicts of Interest. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

32. Food Service Waste Reduction. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. This ordinance prohibits the use of polystyrene foam disposable food service ware and requires the use of compostable or recyclable food service ware by anyone serving food in San Francisco. The provisions of Chapter 16 are incorporated herein by

reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

33. Security Deposit. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 33, Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

34. Notification of Limitations on Contributions. Through its execution of this Permit, Permittee acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Permittee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Permittee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Permittee's board of directors; Permittee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Permittee; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Permittee. Additionally, Permittee acknowledges that Permittee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

35. Intellectual Property; Music Broadcasting Rights. Permittee shall be solely responsible for obtaining any necessary clearances or permissions for the use of intellectual property, including, but not limited to musical or other performance rights. (Note to Permittee:

To obtain the appropriate music performance license, you may contact the BMI Licensing Executive toll free at 1-877-264-2137 Monday – Friday, 9-5 p.m. (Central Time) and the American Society of Composers, Authors and Publishers (“ASCAP”) at 1-800-505-4052 Monday – Friday, 9-5 p.m. (Eastern Time)).

36. General Provisions. (a) This Permit may be amended or modified only by a writing signed by Authority and Permittee. (b) No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (d) The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. (e) Time is of the essence. (f) This Permit shall be governed by California law. (g) If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (h) If Permittee consists of more than one person then the obligations of each person shall be joint and several. (i) Permittee may not record this Permit or any memorandum hereof. (j) Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. (k) Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. (l) This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

PERMITTEE:

HARTMANN STUDIOS, INC., a California corporation

By: _____

Name: _____

Title: _____

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____

Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney





AGENDA ITEM 9
Treasure Island Development Authority
City and County of San Francisco
Meeting of January 14, 2009

Subject: Resolution Approving and Authorizing the Execution of a Memorandum of Understanding with the San Francisco Public Utilities Commission for Payment of Unpaid Utility Amounts (Action Item)

Contact: Marc McDonald, Facilities Manager

Phone: 415-274-0382

BACKGROUND

On March 12, 1997, the City and County of San Francisco (the "City") and the Navy executed the Base Caretaker Cooperative Agreement (the "Cooperative Agreement") for the management and operation of former Naval Station Treasure Island. In November of 1998, the San Francisco Board of Supervisors adopted Resolution No. 938-98 authorizing the Treasure Island Development Authority (the "Authority") to enter into the Cooperative Agreement with the Navy and to assume responsibility for certain caretaker duties, including the operation, maintenance and repair of the Navy's utility systems that service Treasure Island and Yerba Buena Island.

The Cooperative Agreement includes various Functional Annexes that describe in detail the caretaker duties for which the Authority is responsible under the Cooperative Agreement. Functional Annex 6 – Utilities Services describes the responsibilities for the operation and maintenance of utilities systems at the base. In accord with the terms of the Cooperative Agreement, the SFPUC has performed the Authority's responsibilities under Functional Annex 6 – Utilities Services, including, without limitation, the operation and maintenance of the utility systems and the delivery of utilities to the occupants and users of Treasure Island and Yerba Buena Island.

Since Fiscal Year 1997/98, the Authority has made periodic payments to the SFPUC in exchange for certain services, including street lighting and irrigation water services. As of June 30, 2005, Authority payments to SFPUC for utilities services provided during this period totaled \$1,648,280. In 2005, the SFPUC claimed that the Authority had an outstanding obligation to the SFPUC for unpaid utility services, including street lighting and water for landscape irrigation, for Fiscal Years 1997/98 through 2005/06.

On December 12, 2005, The San Francisco Controller's Office conducted an audit of the Authority (Controller's Audit No. 05045) and established the outstanding amount of the Authority's unpaid obligation to the SFPUC at approximately \$2,100,000 (the "Unpaid Utility Amount"). The Unpaid Utility Amount was confirmed in a report produced by the Financial and Accounting Services Team ("FAST") of the Office of the Controller on March 29, 2006. After meeting and conferring, the SFPUC and the Authority have agreed that between the date of the

FAST report and June 30, 2008, the outstanding amount of the Authority's obligation to the SFPUC has been reduced to \$2,028,391 (the "Outstanding Balance").

Project Staff and SFPUC staff have negotiated the terms of a Memorandum of Understanding (the "Agreement") for the Authority to pay the SFPUC the Outstanding Balance over the next eleven years in installments of Two Hundred Thousand Dollars (\$200,000) per year in Years 1 through 10 and Twenty Eight Thousand Three Hundred and Ninety One Dollars (\$28,391) in Year 11, subject to the Controller's certification of available funds. In addition, the Agreement authorizes the Authority and the SFPUC to work together to annually reconcile utility billings and funding, including, subject to mutual agreement, applying any annual surplus in the Authority's budget for SFPUC services to reduce the Unpaid Utility Amount.

SFPUC staff is prepared to present the Agreement for approval at a meeting of the San Francisco Public Utilities Commission in January of 2009. Thereafter, the Agreement will be presented to the Board of Supervisors for review and approval, as required by the Authority's Bylaws because the value of the agreement is in excess of One Million Dollars (\$1,000,000) and the term of the Agreement exceeds ten years.

FINANCIAL IMPACT

The Authority budgeted \$950,000 for payment to the SFPUC for FY 08/09. The typical cost for SFPUC services provided for Treasure Island has been \$550,000 per year. The first \$200,000 installment under the Agreement will be due by June 30, 2009. The Authority's budget allocated \$100,000 for the current year's installment of the Outstanding Balance. The budget allocated \$300,000 for annual rental of the back-up electrical generator. Based on recent discussions with SFPUC staff, Project Staff anticipates entering into a rent-to-own agreement with SFPUC by which annual generator rental costs will be less than \$200,000. The resulting \$100,000 in unexpended generator funds will be used to pay the additional \$100,000 for the first installment of the Outstanding Balance.

RECOMMENDATION

Project Staff recommends that the Authority Board of Directors approve the Agreement and authorize the Director of Island Operations or her designee to execute the Agreement upon approval by the San Francisco Board of Supervisors.

EXHIBIT A – Memorandum of Understanding between the San Francisco Public Utilities Commission and the Treasure Island Development Authority.

Prepared by: Marc McDonald, Facilities Manager
For: Mirian Saez, Director of Island Operations

[Memorandum of Understanding with the San Francisco Public Utilities Commission for Unpaid Utilities]

Resolution Approving and Authorizing the Execution of a Memorandum of Understanding with the San Francisco Public Utilities Commission for Payment of Unpaid Utility Amounts

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, In March 12, 1997, the City and County of San Francisco (the "City") and the Navy executed the Base Caretaker Cooperative Agreement, which has been amended from time to time (the "Cooperative Agreement"), for the management and operation of the Base; and,

WHEREAS, In November 1998, the San Francisco Board of Supervisors adopted Resolution No. 938-98 authorizing the Authority to enter into the Cooperative Agreement with the Navy and to assume responsibility for certain caretaker duties at the Base including the

operation, maintenance and repair of the Navy's utility systems that service Treasure Island and Yerba Buena Island; and,

WHEREAS, The Cooperative Agreement includes various Functional Annexes that describe in detail the caretaker duties for which the Authority is responsible under the Cooperative Agreement, among which Functional Annex 6 - Utilities Services describes the operation and maintenance of the utility systems and the delivery of utilities to the occupants and users of the Base; and,

WHEREAS, In accord with the terms of the Cooperative Agreement, the SFPUC has performed the Authority's responsibilities under Functional Annex 6 – Utilities Services, including, without limitation, the operation and maintenance of the utility systems and the delivery of utilities services to the Base; and,

WHEREAS, Since Fiscal Year 1997/98, the Authority has made periodic payments to the SFPUC in exchange for certain services, including street lighting and irrigation water services, and as of June 30, 2005, Authority payments to SFPUC for utilities services provided during such period totaled \$1,648,280; and,

WHEREAS, In 2005, the SFPUC claimed that the Authority had an outstanding obligation to the SFPUC for unpaid utility services, including street lighting and water for landscape irrigation, for Fiscal Years 1997/98 through 2005/06; and,

WHEREAS, On December 12, 2005, The San Francisco Controller's Office conducted an audit of the Authority (Controller's Audit No. 05045) and established the outstanding amount of the Authority's unpaid obligation to the SFPUC at approximately \$2,100,000 (the "Unpaid Utility Amount"), and the Unpaid Utility Amount was confirmed in a report produced by the Financial and Accounting Services Team ("FAST") of the Office of the Controller on March 29, 2006; and,

WHEREAS, After meeting and conferring, SFPUC staff and Project Staff have agreed that between the date of the Controller's Audit and June 30, 2008, the outstanding amount of the Authority's obligation to the SFPUC for the Unpaid Utility Amount has been reduced to \$2,028,391 (the "Outstanding Balance"); and,

WHEREAS, SFPUC staff and Project Staff have negotiated the terms of a Memorandum of Understanding (the "Agreement") for the Authority to pay the Outstanding Balance over the next eleven years in installments of Two Hundred Thousand Dollars (\$200,000) per year, in Years 1 through 10, and Twenty Eight Thousand Three Hundred and Ninety One Dollars (\$28,391) in Year 11, subject to the Controller's certification of available funds; and,

WHEREAS, The Agreement also authorizes the Authority and the SFPUC to work together to annually reconcile utility billings and funding, including, subject to mutual agreement, applying any annual surplus in the Authority's budget for SFPUC services to reduce the Unpaid Utility Amount; and,

WHEREAS, The Authority has budgeted sufficient funds to pay the 2008/09 installment of \$200,000 described in the Agreement; Now, Therefore, Be It,

RESOLVED, That the Board of Directors hereby approves the terms of the Memorandum of Understanding with the San Francisco Public Utilities Commission for Payment of Unpaid Utility Amounts and authorizes the Director of Island Operations or her designee to execute the Agreement subject to approval of the Agreement by the San Francisco Public Utilities Commission and the San Francisco Board of Supervisors in substantially the same form of Agreement attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Agreement that the Director of Island Operations determines in consultation with the City

Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Agreement, such determination to be conclusively evidenced by the execution and delivery to the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling, Secretary

ITEM 9, EXHIBIT A

Memorandum of Understanding

Between

San Francisco Public Utilities Commission

and

Treasure Island Development Authority

Regarding Treasure Island Utilities Services

January __, 2009

THIS MEMORANDUM OF UNDERSTANDING (the "Agreement") dated for reference purposes only as of _____, 2009, is by and between the SAN FRANCISCO PUBLIC UTILITIES COMMISSION (the "SFPUC"), a department of the City and County of San Francisco, and the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation (the "Authority"). The SFPUC and the Authority may be collectively referred to herein as the "Parties."

RECITALS

A. In 1993, Naval Station Treasure Island ("NSTI"), consisting of both Treasure Island and portions of Yerba Buena Island, was designated for Base Realignment and Closure and ceased active operations in 1997. The United States Navy ("Navy") maintains NSTI in caretaker status, pending disposal and reuse of the property. A small portion of Yerba Buena Island continues to function as an active United States Coast Guard (USCG) Station and a portion of Treasure Island was transferred to the United States Department of Labor Jobs Corps for the operation of a jobs training program.

B. In March 12, 1997, the City and County of San Francisco (the "City") and the Navy executed the Base Caretaker Cooperative Agreement, which has been amended from time to time (the "Cooperative Agreement"), for the management and operation of NSTI.

C. In May 1997, the San Francisco Board of Supervisors adopted Resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation to be known as the Treasure Island Development Authority.

D. Thereafter, the Authority was designated a community redevelopment agency under the California Community Redevelopment Law (Sections 33000 *et seq* of the California Health and Safety Code) and is the local reuse authority for purposes of the redevelopment and conversion of NSTI to productive civilian uses.

E. The Authority leases portions of NSTI from the Navy pursuant to various Master Leases. In turn, the Authority subleases certain areas of NSTI to the John Stewart Company and member organizations of the Treasure Island Homeless Development Initiative ("TIHDI") for residential subleasing. The Authority subleases other areas of NSTI to various commercial and nonprofit subtenants.

F. In November 1998, the San Francisco Board of Supervisors adopted Resolution No. 938-98 authorizing the Authority to enter into the Cooperative Agreement with the Navy and to assume responsibility for certain caretaker duties at NSTI, including the operation, maintenance and repair of the Navy's utility systems that service NSTI.

G. The Cooperative Agreement includes various Functional Annexes that describe in detail the caretaker duties for which the Authority is responsible under the Cooperative Agreement. Functional Annex 6 – Utilities Services describes the responsibilities for the operation and maintenance of utilities systems at NSTI.

H. Since 1997, the SFPUC has performed the responsibilities under Function Annex 6 – Utilities Services, including, without limitation, the operation and maintenance of the utility systems and the delivery of utilities to the occupants and users of Treasure Island and Yerba Buena Island such as the Authority, the United States Coast Guard, the Jobs Corps, the approximately 3,000 residents under subleases with the John Stewart

Company and member organizations of TIHDI, and various commercial and nonprofit tenants.

I. The San Francisco Controller's Office conducted an audit of the Authority in December 12, 2005 (Controller's Audit No. 05045) and established the outstanding amount of the Authority's unpaid obligation to the SFPUC as of December 12, 2005 at approximately \$2,100,000 (the "Unpaid Utility Amount"). The Unpaid Utility Amount is for unpaid utility services, including street lighting and water for landscape irrigation, provided by the SFPUC to the Authority for Fiscal Years 1997/98 through 2005/06. The Unpaid Utility Amount was confirmed in a report produced by the Financial and Accounting Services Team ("FAST") of the Office of the Controller on March 29, 2006. After meeting and conferring, the SFPUC and the Authority have agreed that between the date of the FAST report and June 30, 2008, the outstanding amount of the Authority's obligation to the SFPUC has been partly repaid and reduced to \$2,028,391.

J. The Authority and the SFPUC are entering into this Agreement to provide for the settlement of the SFPUC's claims regarding the Unpaid Utility Amount and to authorize the Parties to work together to annually reconcile utility billings and funding, including applying any annual surplus in the Authority's budget for SFPUC services to reduce the Unpaid Utility Amount.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the SFPUC and the Authority hereby agree to the following:

AGREEMENT

1. Repayment of Unpaid Utility Amount. Subject to the Controller's certification of funds, the Authority will pay the Unpaid Utility Amount to the SFPUC in accordance with the terms of this Section 1, which payment is intended to be a complete settlement of all of the SFPUC's claims arising out of the Authority's failure to pay utilities charges accruing up to and including June 30, 2008; provided however, this Agreement shall be subject to funds availability as certified by the Controller. After payment in full of the Unpaid Utility Amount, the SFPUC shall release all claims arising out of the Authority's failure to pay utilities charges accruing up to and including June 30, 2008.

a. Interest. No interest will accrue on the balance of the Unpaid Utility Amount outstanding under this Agreement as long as the payments agreed to in Section 1b below are made on or before the scheduled Payment Date and all amounts charged for utility services currently being provided are paid when the bill is presented, subject to the notice and cure rights described in this Section. In the event any payment is not made for any reason within ten (10) days after the SFPUC notifies the Authority in writing that a payment was not received by the scheduled Payment Date, the Authority will be considered in default of this Agreement, and the SFPUC will be entitled to interest on the entire outstanding balance at the rate of five percent (5%) per annum during the period any utility bill or scheduled payment remains unpaid.

b. Payment Schedule. The Unpaid Utility Amount will be payable in accordance with the following schedule. The initial payment of \$200,000 is due by June 30, 2009, and thereafter, each annual payment is due by June 30 of each succeeding year until the Unpaid Utility Amount is paid in full.

Payment Schedule

Amount = \$2,028,391
Interest = 0%
Term, in years = 11

<u>Year</u>	<u>Fiscal Year</u>	<u>Interest</u>	<u>Total Payment due by June 30 of each year</u>	<u>Balance</u>
0	2007-08			\$2,028,391
1	2008-09	0%	\$200,000	\$1,828,391
2	2009-10	0%	\$200,000	\$1,628,391
3	2010-11	0%	\$200,000	\$1,428,391
4	2011-12	0%	\$200,000	\$1,228,391
5	2012-13	0%	\$200,000	\$1,028,391
6	2013-14	0%	\$200,000	\$828,391
7	2014-15	0%	\$200,000	\$628,391
8	2015-16	0%	\$200,000	\$428,391
9	2016-17	0%	\$200,000	\$228,391
10	2017-18	0%	\$200,000	\$28,391
11	2018-19	0%	\$28,391	\$0

c. Prepayment. Notwithstanding anything in this Agreement to the contrary, the Authority shall have the right to prepay all or any portion of the Unpaid Utility Amount at any time without penalty.

d. Meet and Confer Obligation. If the Authority experiences a change in its financial condition that materially impacts the Authority's ability to make the payments under this Agreement, then representatives of the Authority and the SFPUC shall meet and confer in good faith to negotiate a revised Payment Schedule that is mutually agreeable to the Authority and the SFPUC.

e. Annual Reconciliation. The Parties shall work together to annually reconcile utility billings and funding, including, subject to mutual agreement, applying any annual surplus in the Authority's budget for SFPUC services to reduce the Unpaid Utility Amount. The SFPUC will coordinate related party disclosure with the Controller's Office for City-wide financial reporting purposes.

3. Notices. Any notice given under this Agreement shall be in writing and given by delivering the notice in person, by commercial courier or by sending it by regular mail,

with postage prepaid, to the mailing address listed below or any other address notice of which is given. For the convenience of the parties, copies of notices may also be given by facsimile, to the telephone number listed below or such other numbers as may be provided from time to time.

Address for SFPUC: 1155 Market Street,
4th Floor
San Francisco, CA 94102
Attn: Samuel Laraño
Fax No: (415) 554-1854
Telephone No: (415) 554-0724
Email: slarano@sfgwater.org

Address for the Authority: 410 Avenue of the Palms
Treasure Island
San Francisco, CA 94130
Attn: Mirian Saez
Director of Island Operations
Fax No: (415) 274-0299
Telephone No: (415) 274-0660
Email: mirian.saez@sfgov.org

5. Miscellaneous Provisions.

a. California Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California and the City, including the City's Charter.

b. Entire Agreement. Subject to any subsequent agreements authorized pursuant to this Agreement, this Agreement contains all of the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider those drafts in interpreting this Agreement.

c. Amendments. No amendment of this Agreement or any part hereof shall be valid unless it is in writing and signed by all of the parties hereto.

d. No Party Drafter; Captions. The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any party in order to achieve the objectives and purposes of the parties. Any caption preceding the text of any section, paragraph or subsection or in the table of contents is included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

e. Further Assurances. The parties hereto agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to carry out the mutual intent of the parties as expressed in this Agreement.

f. Necessary Approvals. This Agreement may be subject to approval by the San Francisco Public Utilities Commission, the Treasure Island Development Authority and the San Francisco Board of Supervisors, each in its sole and absolute discretion.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

SFPUC:

CITY AND COUNTY OF SAN
FRANCISCO, acting by and through its
Public Utilities Commission

By: _____
Ed Harrington
General Manager

Approved as to form:

Dennis J. Herrera,
City Attorney

By: _____
Deputy City Attorney

THE AUTHORITY:

TREASURE ISLAND DEVELOPMENT
AUTHORITY, a California public benefit
corporation

By: _____
Mirian Saez
Director of Island Operations

Approved as to form:

Dennis J. Herrera,
City Attorney

By: _____
Deputy City Attorney



AGENDA ITEM 10
Treasure Island Development Authority
City and County of San Francisco
January 14, 2009

Subject: Resolution Approving the Amended and Restated Grant Agreement among the Municipal Transportation Agency, the San Francisco Bay Area Water Emergency Transportation Authority and the Treasure Island Development Authority Regarding the Expenditure and Administration of Grant Funds for the Treasure Island Ferry Terminal Project (Action Item)

Contact: Jack Sylvan, Office of Economic & Workforce Development

BACKGROUND

The San Francisco Municipal Transportation Agency (SFMTA), working with TIDA staff, received two grants from the Federal Transit Administration (FTA) of the U.S. Department of Transportation for the purpose of conducting planning for a new ferry terminal as part of the future redevelopment of Treasure Island. These two earmarks were originally awarded to San Francisco by Congress in the FY 2001 and FY 2002 Department of Transportation appropriations bills. The first grant (#CA-90-Y124) is for an amount of \$879,000 and the second grant (#CA-90-Y-348-B) is for an amount of \$800,000. The federal funds require local match amounts of \$219,750 and \$200,000 respectively.

It is typical for federal transportation planning grants to be provided to the local municipal transportation agency (SFMTA) for administration and compliance with the terms of the grant. In January 2007, the Authority approved an MOU with the SFMTA that outlined a relationship in which the SFMTA would provide the required administrative services for the federal grant funds, including accounting services, financial services, contract administration, grants administration, services of its Contract Compliance Office, including administration of DBE matters, legal services and other administrative services. SFMTA was to receive a fee equal to \$105,000, which is 5% of the total project grant funds, for their administrative services.

In 2007, the San Francisco Bay Area Water Emergency Transportation Response and Disaster Recovery Act (SB 976) established the San Francisco Bay Area Water Emergency Transportation Authority (WETA) as a local governmental entity of regional government and gave WETA the authority to plan, operate and coordinate the emergency activities of water transportation and related facilities in the Bay Area region, and required that the planning, management and operation of existing or planned public transportation ferries and related facilities and services in the Bay Area region be consolidated under WETA's control. Consequently, it will be WETA that will own many of the terminal improvements and operate the future ferry service between Treasure Island and San Francisco. Over the course of the past

year Authority staff have developed an excellent working relationship with WETA staff while moving forward ferry terminal planning for Treasure Island.

It is now the appropriate point in the redevelopment planning process to initiate the ferry terminal planning work supported by the FTA grants to inform the planning, design and environmental review processes of the overall development project. Given the WETA's authority and responsibilities for ferry service in the bay, including future Treasure Island service, Authority staff believe that WETA is the appropriate entity to contract and expend the FTA grant funds, in partnership with the Authority.

Authority staff will participate with the WETA in the selection of and the management/oversight of the consultant team to perform the ferry terminal planning services to ensure coordination with the overall development project. WETA will contract for the services of the consultant team and will be paid the FTA grant funds and local match by the SFMTA to cover the expenditures incurred by WETA.

TIDA will still provide the local match portion of the grant funds and the reimbursement of administrative costs to SFMTA, which total approximately \$525,000. 100% of these funds are reimbursable under the terms of the Exclusive Negotiating Agreement between TIDA and TICD. Sufficient funds are available in the TIDA FY 08-09 budget to cover the initial stages of the consultant services and appropriate funds will be programmed for the FY 09-10 TIDA budget.

RECOMMENDATION

Staff recommends approving the three-party MOU between the Authority, SFMTA and WETA to facilitate implementation and administration of the grant funds to conduct ferry terminal planning activities for Treasure Island.

EXHIBITS

A MOU between TIDA, SFMTA and WETA

[Amended and Restated Grant Agreement Regarding the Expenditure and Administration of Grant Funds for the Treasure Island Ferry Terminal Project.]

Resolution Approving the Amended and Restated Grant Agreement among the Municipal Transportation Agency, the San Francisco Bay Area Water Emergency Transportation Authority and the Treasure Island Development Authority Regarding the Expenditure and Administration of Grant Funds for the Treasure Island Ferry Terminal Project.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California Redevelopment Law (Sections 33000 et seq. of the Health and Safety Code) with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The Development Plan and Term Sheet for redevelopment of the Base, which has been endorsed by the Authority and the Board of Supervisors in October and December 2006 respectively, contemplates the development of a new ferry terminal on the west side of Treasure Island (the "Ferry Project"); and,

WHEREAS, The City and County of San Francisco, acting by and through its Municipal Transportation Agency ("SFMTA"), has received two grants from the Federal Transit Administration ("FTA") of the U.S. Department of Transportation in the amounts of \$879,000 and \$800,000 to further plan and implement the Ferry Project; and,

WHEREAS, Under FTA requirements, SFMTA may provide FTA funds to the Authority under a written agreement passing through grant requirements to the Authority as a subgrantee; and,

WHEREAS, Article V, Section 2(k) of the Authority's Bylaws authorizes the Authority to contract with governmental agencies, including without limitation, any department,

commission or agency of the City, for the performance of services in furtherance of and related to the purposes of the Authority; and,

WHEREAS, On January 10, 2007, the Authority Board authorized the Authority to enter into a Grant Agreement (the "Original Agreement") with the SFMTA under which the SFMTA will disburse to the Authority, as a subgrantee, FTA grant funds relating to the Ferry Project and provide certain administrative services in connection with the FTA grants, and the SFMTA will receive a fee equal to \$105,000; and,

WHEREAS, In 2007, the San Francisco Bay Area Water Emergency Transportation Response and Disaster Recovery Act (Sections 66540 et seq. of the California Government Code) established the San Francisco Bay Area Water Emergency Transportation Authority ("WETA") as a local governmental entity of regional government and gave WETA the authority to plan, operate and coordinate the emergency activities of water transportation and related facilities in the Bay Area region, and required that the planning, management and operation of existing or planned public transportation ferries and related facilities and services in the Bay Area region be consolidated under WETA's control; and,

WHEREAS, Authority staff proposes that the parties amend and restate the Original Agreement in its entirety to reflect the substitution of WETA as the subgrantee under the FTA grants and to allocate to WETA certain of the Authority's obligations under the Original Agreement with respect to the planning and implementation of the Ferry Project; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves and authorizes the Treasure Island Redevelopment Project Director to execute the Amended and Restated Grant Agreement with the SFMTA and WETA in substantially the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure Island Redevelopment Project Director to enter into any additions, amendments or other modifications to the Amended and Restated Grant Agreement that the Treasure Island Redevelopment Project Director determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Amended and Restated Grant Agreement, such determination to be conclusively evidenced by the execution and delivery by the Treasure Island Redevelopment Project Director of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on January 14, 2009.

John Elberling
Secretary

Item 10, EXHIBIT A

**FTA Grant Nos.:
CA-90-Y-348-01
CA-90-Y-124**

AMENDED AND RESTATED GRANT AGREEMENT

Among the

**CITY AND COUNTY OF SAN FRANCISCO,
through its
MUNICIPAL TRANSPORTATION AGENCY**

**SAN FRANCISCO BAY AREA WATER EMERGENCY
TRANSPORTATION AUTHORITY**

and

TREASURE ISLAND DEVELOPMENT AUTHORITY

**REGARDING THE EXPENDITURE AND
ADMINISTRATION OF GRANT FUNDS FOR THE
TREASURE ISLAND FERRY TERMINAL PROJECT
(the "Project")**

This Amended and Restated Grant Agreement ("Agreement") is made this _____ day of _____, 2009, in the City and County of San Francisco, State of California, by and among: the San Francisco Bay Area Water Emergency Transportation Authority, a _____ ("WETA"), the Treasure Island Development Authority, a public body corporate and politic ("TIDA"), and the City and County of San Francisco, a municipal corporation, acting by and through its Municipal Transportation Agency ("City" or "SFMTA").

RECITALS

A. In 1993, Naval Station Treasure Island ("NSTI") consisting of both Treasure Island and portions of Yerba Buena Island, was designated for Base Realignment and Closure and ceased active operation in 1997. The United States Navy maintains NSTI in caretaker status, pending disposal and reuse of the property, while a small portion of Yerba Buena Island continues to function as an active United States Coast Guard (USCG) Station.

B. TIDA has been designated a community redevelopment agency under the California Community Redevelopment Law (Sections 33000 et. seq. of the California Health and Safety Code) and is the local reuse authority for purposes of the redevelopment and conversion of NSTI to productive civilian uses.

C. The proposed plan for redevelopment of NSTI contemplates the development of a ferry terminal on the west side of Treasure Island (the "Project").

D. SFMTA has received two grants from the Federal Transit Administration ("FTA") of the U.S. Department of Transportation which contain funding for the Project: Grant No. CA-90-Y348-01 contains funding in the amount of \$800,000, and Grant No. CA-90-Y124-00 contains funding for the Project in the amount of \$879,000 (cumulatively, the "Project Grants"). The Project Grants are expressly intended to further plan and implement the Project. The matching funds required under the Project Grants are \$200,000 and \$219,750, respectively. A general description of the Project Grants is attached hereto as Exhibit A.

E. Under FTA requirements, SFMTA may provide FTA funds to a subgrantee under a written agreement passing through grant requirements to the subgrantee. SFMTA and TIDA entered into the Grant Agreement dated January 10, 2007 (the "Original Grant Agreement"), under which SFMTA passed through grant requirements to TIDA as a subgrantee of the Project Grants.

F. In 2007, the San Francisco Bay Area Water Emergency Transportation Response and Disaster Recovery Act (Sections 66540 et seq. of the California Government Code) established WETA as a local governmental entity of regional government and gave WETA the authority to plan, operate and coordinate the emergency activities of water transportation and related facilities in the Bay Area region, and required that the planning, management and operation of existing or planned public transportation ferries and related facilities and services in the Bay Area region be consolidated under WETA's control.

G. The parties desire to amend and restate the Original Agreement in its entirety to (i) reflect the substitution of WETA as the subgrantee under the Project Grants, (ii) allocate to WETA certain of TIDA's obligations under the Original Agreement, (iii) ensure compliance with FTA requirements for the administration of the Project Grants, and (iv) provide for reimbursement to SFMTA for its costs in connection with administration of the Project Grants, as more particularly described in this Agreement. The parties intend to work cooperatively to provide information and supporting documents necessary to sustain the efficient flow of funds and support the efficient development of the Project.

H. The parties understand that all encumbrances and disbursements from the Grants are subject to the approval of the Controller of the City.

In accordance with the above understandings, SFMTA, WETA and TIDA agree as follows:

I. Term; Effective Date

A. Term. This Agreement commenced on the Effective Date and will terminate when all of the funds from the Project Grants have been disbursed and all FTA reporting requirements have been complied with, but in no event later than nine (9) years and six (6) months after the Effective Date.

B. Effective Date. This Agreement became effective on January 1, 2007.

II. SFMTA Responsibilities

A. Disbursement of Grant Funds. Upon approval of the City's Controller, and provided that a proportionate amount of all matching funds required under the Project Grants for the first disbursement in place, SFMTA, in consultation with WETA and TIDA, will develop a Project budget. SFMTA will disburse funds to WETA's Project account as costs are incurred, subject to (1) adequate documentation of costs incurred, (2) compliance with the terms and conditions of the FTA Grant Agreements, and (3) compliance with WETA's and TIDA's responsibilities, as set forth below.

B. Allowable Costs. The City will reimburse WETA for those services and expenses required to perform the work in accordance with the Project budget. Reimbursement will be in accordance with cost principles set forth in Office of Management and Budget Circular A-87, Revised, "Cost Principles Applicable to Grants and Contracts with State and Local Governments," and consistent with SFMTA's Master Agreement and annual Certifications and Assurances.

C. Scope of Services. SFMTA will provide required administrative services to WETA in connection with the Project Grants. These services may include, but not be limited to, accounting services, financial services, contract administration, grants administration, services of its Contract Compliance Office, including administration of DBE matters, legal services, and other administrative services ("administrative services"). SFMTA may also provide engineering, estimating, and other technical professional services, upon request of WETA ("technical services").

D. Project Manager. SFMTA will designate one individual to be its Project Manager for all WETA and TIDA activities involving the Project Grants. The Project Manager's primary responsibility will be to ensure compliance with all requirements of the Project Grants, and will provide counsel and assistance to WETA and TIDA on grant issues, City policies, and federal regulations. The Project Manager will enlist and utilize other SFMTA resources or staff personnel as necessary to carry out such work and to perform the administrative and technical services described in Section C above.

E. SFMTA Reimbursement for Administrative Services. For all administrative services performed for WETA under this Agreement, SFMTA agrees to receive a fee equal to One Hundred Fifty Thousand Dollars (\$105,000), which is five percent (5%) of the total amount of the Project Grants. WETA agrees that it will use funds other than Project Grant funds and required local matching funds to reimburse SFMTA in the above amount. Within thirty (30) days from the Effective Date of this Agreement, TIDA agrees to remit to SFMTA Ten Thousand Dollars (\$10,000) as a partial payment of administrative costs. Within thirty (30) days after WETA notifies SFMTA and TIDA that WETA has commenced preparing the Request for Proposals (RFP) for the Project, TIDA agrees to remit to SFMTA Forty Thousand Dollars (\$40,000) as a partial payment of administrative costs. Within thirty (30) days after the first contract for the Project is awarded, TIDA agrees to remit to SFMTA a final payment of administrative costs in the amount of Fifty-Five Thousand Dollars (\$55,000).

F. SFMTA Reimbursement for Technical Services. Subject to staff availability, upon receipt of a request from WETA for technical services, the Project Manager will prepare and submit an estimate of SFMTA's reimbursable costs for TIDA approval. No SFMTA assistance will be provided prior to approval of the estimate by TIDA. SFMTA will not perform work in excess of the amount approved by TIDA unless SFMTA receives written authorization from TIDA.

G. Reporting. For technical services under subsection F above, SFMTA will submit to WETA and TIDA, on a quarterly basis, a report of its activities performed and billed to TIDA during the preceding quarter relating to this Agreement. TIDA will raise any objections it may have to a report within thirty (30) days of receipt of the report.

H. Procedures. SFMTA staff, after consultation with WETA and TIDA, will be responsible for preparing procedures to implement the provisions of this Agreement. The procedures will include processes for billing, accounting, encumbrance and disbursement of funds, tracking of time, and other such functions.

III. WETA and TIDA Responsibilities

A. Subgrantee. WETA will be a subgrantee, responsible for compliance with all applicable provisions of the FTA Master Agreement (FTA MA 10), Certifications and Assurances for FTA Assistance Programs, the grant application, and all applicable laws and regulations, using sound management practices. Every provision of FTA MA(10) and the Certifications and Assurances, as they may be amended from year to year, are incorporated by reference and will govern WETA's expenditure of all funds under the Project Grants, as well as expenditure of local matching funds required to fulfill the obligations of the Project Grants. TIDA will be responsible for transferring all of the required local matching funds (20 % of total Project Budget or \$419,750 for both Grants) to the SFMTA so that they can be booked in the Project budget. Until TIDA transfers the matching funds to the SFMTA, WETA will only be entitled to receive Project Grant funds in an amount that is proportionate to the required local matching funds actually booked with the SFMTA in the Project budget. Upon the termination of this Agreement for any reason, any unexpended local matching funds will be returned to TIDA, in an amount proportional to the total of the unexpended federal Grant funds.

B. Procurement of Goods and Services. WETA certifies that it will procure goods and services as necessary for the Project consistent with the requirements of 49 CFR Part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," Circular 4220.1E of the FTA, FTA MA 10, and applicable FTA Certifications and Assurances. Annually, as required by SFMTA's Contract Compliance Office, WETA will provide a list of all procurements planned for the following federal fiscal year that will be funded in whole or in part by the Project Grants. Additionally, WETA will provide SFMTA and TIDA with a monthly report on the status of such procurements. SFMTA and TIDA reserve the right to review and advise on any such procurement, or portion of a procurement.

C. Reports. WETA will provide SFMTA and TIDA with all required quarterly Narrative and Financial Reports no later than fifteen (15) calendar days after each reporting period. The reporting periods will end December 31, March 31, June 30 and September 30. Narrative Reports will contain the following information: a description of the work completed during the period; tasks expected to be performed during the next period; major project milestones, changes to milestones, and reasons for the changes; and explanations of problems or delays encountered or anticipated. Financial reports will include a balance sheet and a project expenditure statement by line item code.

D. Approval of Invoices. In the event that SFMTA provides technical services pursuant to WETA's request, TIDA will, within thirty (30) days of receipt, approve payment of quarterly invoices submitted by SFMTA for work that is within the amounts of the approved estimate.

E. Recordkeeping. Unless otherwise directed by SFMTA, WETA will maintain the original records of all procurements, payments and contract expenses in the form required by federal regulations and FTA grant requirements during the term of this Agreement, and for a period of three years thereafter. WETA will allow SFMTA and TIDA to review and inspect said records during business hours to ensure compliance with such requirements, and to audit the books, records, and accounts of WETA and its contractors, if necessary. Upon request, WETA will provide SFMTA and TIDA with copies of any records in its files relating to procurements and other expenditures using funding from the

ject Grants. WETA agrees to extend these rights of review, inspection and audit to the Secretary of Transportation and the Comptroller General of the United States, or their authorized representatives.

F. Audit. WETA will provide thorough and complete accounting for all funds expended in the performance of the Project to the extent that such funds are provided by SFMTA through the Grants or matching funds, consistent with 49 C.F.R. Section 18.37(b). WETA will be responsible for meeting audit requirements of the "Single Audit Act of 1984" as implemented by OMB Circular A-128, but may be revised from time to time.

G. Disallowance. WETA agrees that if it claims or receives payment of Grant funds or local matching funds from City for an expense, payment or reimbursement of which is later disallowed by the federal government, WETA will promptly refund the disallowed amount to City upon City's request. At option, City may offset all or any portion of the disallowed amount against any other payment due to WETA hereunder. Any such offset with respect to a portion of the disallowed amount will not release WETA from its obligation under this section to refund the remainder of the disallowed amount.

IV. CERTIFICATION; APPROPRIATION OF FUNDS

A. Risk of Non-Appropriation of Grant Funds. This Agreement is subject to the budget and other provisions of the federal government and the City Charter. City will have no obligation to make appropriations for this Agreement should the federal government fail to appropriate the Grant funds. WETA also acknowledges that City budget decisions are subject to the discretion of its Mayor and Board of Supervisors. WETA assumes all risk of possible non-appropriation or non-certification of funds, and such assumption is part of the consideration for this Agreement.

B. Certification of Controller; Guaranteed Maximum Costs. No funds will be available under this Agreement until prior written authorization certified by the Controller. In addition, as set forth in Section 21.10-1 of the San Francisco Administrative Code:

1. City's obligations hereunder will not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

2. Except as may be provided by City ordinances governing emergency conditions, City and its employees and officers are not authorized to request WETA to perform services or to provide materials, equipment and supplies that would result in WETA performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies specified in this Agreement unless this Agreement is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. City is not required to pay WETA for services, materials, equipment or supplies that are provided by WETA which are beyond the scope of the services, materials, equipment and supplies agreed upon herein and which were not approved by a written amendment to this Agreement having been lawfully executed by City and TIDA.

3. City and its employees and officers are not authorized to offer or promise to WETA additional funding for this Agreement which would exceed the maximum amount of funding provided for herein. Additional funding for this Agreement in excess of the maximum provided herein will require lawful approval and certification by the Controller. City is not required to honor any offered or promised additional funding which exceeds the maximum provided in this Agreement which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained.

4. The Controller is not authorized to make payments on any agreement for which funds have not been certified as available in the budget or by supplemental appropriation.

C. Automatic Termination for Non-appropriation of Funds. This Agreement will automatically terminate, without penalty, liability or expense of any kind to City, at the end of any federal fiscal year if funds are not appropriated for the next succeeding federal fiscal year. If funds are

appropriated for a portion of any federal fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind to City, at the end of such portion of the federal fiscal year.

V. INDEMNIFICATION

A. General. WETA shall defend, release, hold harmless and indemnify City, TIDA and their respective officers and employees from any and all claims for injury or damage to persons and/or property which arise out of the negligent acts or omissions of WETA, its officers and/or employees in the performance of its activities relating to the administration and use of the grant funds received under this Agreement. It is further agreed that City shall defend, release, hold harmless and indemnify WETA, TIDA and their respective officers and employees from any and all claims for injuries and/or damage to persons and/or property which arise out of the negligent acts or omissions of City, its officers and employees in the performance of its activities under this Agreement. It is further agreed that TIDA shall defend, release, hold harmless and indemnify City and WETA and their respective officers and employees from any and all claims for injuries and/or damage to persons and/or property which arise out of the negligent acts or omissions of TIDA, its officers and employees in the performance of its activities under this Agreement. In the event of concurrent negligence of WETA, its officers and employees, City, its officers and employees, and/or TIDA, its officers and employees, the liability for any and all claims for injuries or damage to persons and/or property shall be apportioned under the California theory of comparative negligence as presently established or as may hereafter be modified.

B. Limitation On Liability Of City. CITY'S OBLIGATIONS UNDER THIS AGREEMENT WILL BE LIMITED TO THE AGGREGATE AMOUNT OF THE PROJECT GRANTS ACTUALLY DISBURSED HEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT. IN NO EVENT WILL CITY, WETA OR TIDA BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE PROJECT GRANTS, OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

VI. EVENTS OF DEFAULT

A. General. The occurrence of any one or more of the following events will constitute an "Event of Default" under this Agreement:

- 1. False Statement.** Any statement, representation or warranty contained in this Agreement, or in any other document submitted to City under this Agreement is found by City to be false or misleading.
- 2. Failure to Comply with Applicable Laws.** WETA or TIDA fails to perform or breaches any federal, state or local law or regulation applicable to this Agreement.
- 3. Failure to Perform Other Covenants.** WETA or TIDA fails to perform or breaches any other agreement or covenant of this Agreement to be performed or observed by WETA or TIDA, as applicable, as and when performance or observance is due and such failure or breach continues for a period of thirty (30) days after the defaulting party's receipt of written notice of such failure or breach or, if the failure or breach cannot be cured within such thirty (30) day period, such longer period as is necessary to cure the failure or breach so long as the defaulting party commences the cure within such thirty (30) day period and diligently prosecutes such cure to completion.
- 4. Voluntary Insolvency.** WETA or TIDA, as applicable, (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other

debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of WETA or TIDA, as applicable, or of any substantial part of WETA's or TIDA's property or (v) takes action for the purpose of any of the foregoing.

5. Involuntary Insolvency. Without consent by WETA or TIDA, as applicable, a court or government authority enters an order, and such order is not vacated within ten (10) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to WETA or TIDA, as applicable, or with respect to any substantial part of WETA or TIDA's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of WETA or TIDA.

B. Remedies Upon Event of Default. Upon and during the continuance of an Event of Default, may do any of the following, individually or in combination with any other remedy:

1. Termination. City may terminate this Agreement by giving a written termination notice to WETA and TIDA and, on the date specified in such notice, this Agreement will terminate and all rights of WETA and TIDA hereunder will be extinguished. In the event of such termination, (i) WETA will be paid for eligible expenses relating to the Project that were submitted and approved by City prior to the date of termination specified in such notice, and (ii) any unexpended local matching funds will be returned to TIDA, in an amount proportional to the total of the unexpended federal Grant funds.

2. Withholding of Grant Funds. City may withhold all or any portion of Grant funds not yet disbursed, regardless of whether WETA has previously submitted a request for such funds or whether City has approved the disbursement of the Grant funds under a prior request for such funds. Any Grant funds withheld pursuant to this Section and subsequently disbursed to WETA after cure of applicable Events of Default will be disbursed without interest.

3. Return of Grant Funds. City may demand the immediate return of any previously disbursed Grant funds that have been claimed or expended by WETA in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

4. Remedies Nonexclusive. Each of the remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The remedies contained herein are in addition to all other remedies available to City at law or in equity by statute or otherwise and the exercise of any such remedy will not preclude or in any way be deemed to waive any other remedy.

VII. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and will be addressed as follows:

To City: Municipal Transportation Agency
 1 South Van Ness Avenue, 8th floor
 San Francisco, CA 94103
 Attn: Leda Young
 leda.young@sfmta.com
 fax: (415) 701-4336

To WETA: San Francisco Bay Area Water Emergency Transit Authority
Pier 9, Suite 111, The Embarcadero
San Francisco, CA 94111
Attn: John Sindzinski
sindzinski@watertransit.org
fax: (415) 291-3388

To TIDA: Office of Economic and Workforce Development
City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Jack Sylvan, Treasure Island Redevelopment Project Manager
jack.sylvan@sfgov.org
Fax: (415) 554-6018

with a copy to: Treasure Island Development Authority
410 Palm Avenue, Building One
San Francisco, CA 94130
Attn: Mirian Saez, Director of Island Operations
mirian.saez@sfgov.org
Fax: (415) 274-0299

Any notice of default must be sent by registered mail.

VIII. OTHER CONDITIONS

A. No Assignment by WETA. WETA will not, either directly or indirectly, assign, transfer, hypothecate, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of WETA hereunder without the prior written consent of City. This Agreement will not, nor will any interest herein, be assignable as to the interest of WETA involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of WETA or a sale or transfer of substantially all of the assets of WETA will be deemed an assignment for purposes of this Agreement. **Any agreement made in violation of this Section will confer no rights on any person or entity and will automatically be null and void.**

B. Sunshine Ordinance. WETA acknowledges and agrees that this Agreement is subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals and all other records of communications between City and persons or entities seeking contracts, will be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by WETA that is covered by such Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request.

C. Modifications. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in as required under law.

D. Submitting False Claims; Monetary Penalties. WETA acknowledges and agrees that it is subject to San Francisco Administrative Code Section 21.35. Under such Section 21.35, any contractor, subgrantee or consultant who submits a false claim will be liable to City for three times the amount of damages which City sustains because of the false claim. A contractor, subgrantee or consultant who submits a false claim will also be liable to City for the costs, including attorney's fees, of a civil action

ought to recover any of those penalties or damages, and may be liable to City for a civil penalty of up to ten thousand dollars (\$10,000) for each false claim. A contractor, subgrantee or consultant will be deemed to have submitted a false claim to City if the contractor, subgrantee or consultant: (a) knowingly presents or causes to be presented to an officer or employee of City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by City; (c) conspires to defraud City by submitting a false claim allowed or paid by City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to City; or (e) is a beneficiary of an inadvertent submission of a false claim to City, who subsequently discovers the falsity of the claim, and fails to disclose the false claim to City within a reasonable time after discovery of the false claim.

E. Independent Contractor. WETA will be deemed at all times to be an independent contractor and is solely responsible for the manner in which WETA uses the Grant funds. WETA will at all times remain solely liable for the acts and omissions of WETA, its officers and directors, employees and agents. Nothing in this Agreement will be construed as creating a partnership, joint venture, employment or agency relationship among City, WETA and TIDA.

F. Conflict of Interest. Through its execution of this Agreement, WETA acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

G. Eligibility to Receive Federal Funds. By executing this Agreement, WETA certifies that it is not suspended, debarred or otherwise excluded from participation in federal assistance programs. WETA acknowledges that this certification of eligibility to receive federal funds is a material term of the agreement.

H. MacBride Principles--Northern Ireland. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of WETA acknowledges and agrees that she or he has read and understood this section.

I. Tropical Hardwood and Virgin Redwood Ban. Pursuant to Section 804(b) of the San Francisco Environment Code, City urges all grantees not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

J. Drug-Free Workplace Policy. WETA acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. WETA and its employees, agents or assigns will comply with all terms and provisions of such Act and the rules and regulations promulgated under such Act.

K. Resource Conservation; Liquidated Damages. Chapter 5 of the San Francisco Environment Code (Resource Conservation) is incorporated herein by reference. Failure by WETA to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract. The requirements of Chapter 5 applicable to this Agreement are the requirements under Section 506(h) that any bid, report, proposal, quotation or other document prepared in connection with this Agreement must be submitted on recycled paper and printed on double sided pages to the maximum extent possible.

L. Compliance with ADA. WETA acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a

grantee or contractor, must be accessible to the disabled public. WETA will not discriminate against any person protected under the ADA in connection with all or any portion of the Project and will comply at all times with the applicable provisions of the ADA.

M. No Waiver. No waiver by the SFMTA or City of any default or breach of this Agreement will be implied from any failure by the SFMTA or City to take action on account of such default if such default persists or is repeated. No express waiver by the SFMTA or City will affect any default other than the default specified in the waiver and will be operative only for the time and to the extent therein stated. Waivers by City or the SFMTA of any covenant, term or condition contained herein will not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the SFMTA or City of any action requiring further consent or approval will not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

N. Administrative Remedy for Agreement Interpretation. Should any question arise as to the meaning or intent of this Agreement, the question will, prior to any other action or resort to any other legal remedy, be referred to the Executive Director/CEO of the SFMTA, who, after consultation with FTA, if required, will decide the true meaning and intent of the Agreement.

O. Governing Law; Venue. The formation, interpretation and performance of this Agreement will be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement will be in San Francisco.

P. Headings. All article and section headings and captions contained in this Agreement are for reference only and will not be considered in construing this Agreement.

Q. Entire Agreement. This Agreement sets forth the entire Agreement between the parties, restates the Original Agreement in its entirety, and supersedes all other oral or written provisions.

R. Severability. Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement will not be affected or impaired thereby, and (b) such provision will be enforced to the maximum extent possible so as to effect the intent of the parties and will be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

S. Successors; No Third-Party Beneficiaries. The terms of this Agreement will be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, will be construed to give any person or entity (other than the parties hereto and their respective successors and assigns) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

T. Survival of Terms. The obligations of WETA and TIDA and the terms of the following provisions of this Agreement will survive and continue following expiration or termination of this Agreement: Sections III.A, B, E, F, G; V; V.I.B, VII, VIII.E, N-R.

U. Further Assurances. From and after the date of this Agreement, WETA agrees to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

This Amended and Restated Grant Agreement has been executed in San Francisco, California, as of the date first noted above.

**CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL TRANSPORTATION
AGENCY**

**TREASURE ISLAND
DEVELOPMENT AUTHORITY**

By: _____
Nathaniel P. Ford, Sr.
Executive Director/CEO

Date: _____

By: _____
Jack Sylvan
Treasure Island Redevelopment
Project Director

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA
CITY ATTORNEY

APPROVED AS TO FORM:

DENNIS J. HERRERA
CITY ATTORNEY

BY: _____
Robin M. Reitzes
Deputy City Attorney

BY: _____
Eileen Malley
Deputy City Attorney

**SAN FRANCISCO BAY AREA
WATER EMERGENCY
TRANSPORTATION
AUTHORITY**

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

CONSTRUCT - FERRY TERMINAL (STP)	0	\$879,000.00	\$1,098,750.00
CA-90-Y124			
<p>The FTA awarded a grant to Muni under CA-90-Y124 for \$879,000 which will support planning for a permanent ferry terminal as part of the Treasure Island redevelopment project. Specifically, TIDA proposes to use the funding for the following activities: evaluation of site constraints and opportunities for terminal design; evaluation of alternative terminal element plans/designs; conceptual planning of waterside and landside terminal elements; development of a preferred waterside and landside terminal plan and design; development of preferred harbor and breakwater design; environmental review of Treasure Island ferry terminal; analysis to confirm that the design meets the requirements of the Transportation Security Act; conceptual ferry vessel planning; and, preliminary engineering.</p>			

ENG/DESIGN - FERRY BOAT TERMINAL (FBD)	0	\$800,000.00	\$1,000,000.00
CA-90-Y348			
<p>The FTA previously awarded this grant for \$879,000 to plan and construct a temporary ferry terminal at Treasure Island. However, conditions changed and the FTA approved the following revised scope of grant. The FTA awarded a grant to Muni under CA-90-Y348 for \$800,000 which will support planning for a permanent ferry terminal as part of the Treasure Island redevelopment project. Specifically, TIDA proposes to use the funding for the following activities: evaluation of site constraints and opportunities for terminal design; evaluation of alternative terminal element plans/designs; conceptual planning of waterside and landside terminal elements; development of a preferred waterside and landside terminal plan and design; development of preferred harbor and breakwater design; environmental review of Treasure Island ferry terminal; analysis to confirm that the design meets the requirements of the Transportation Security Act; conceptual ferry vessel planning; and, preliminary engineering.</p>			

TREASURE ISLAND DEVELOPMENT PROJECT

PRESENTATION TO TIDA BOARD

January 14, 2009

OUTLINE

1. Introductions
(Jack Sylvan, Michael Tymoff, Kheay Loke)
2. Perimeter & Sea Level Rise Approach
(Dillip Trivedi, Moffatt & Nichol)
3. Drainage & Grading
(Todd Adair, BKF Engineers)
4. Soils & Geotechnical
(Uri Eliahu, ENGEO)
5. Geologic Hazard Abatement District
(Uri Eliahu, ENGEO)

EXISTING CONDITIONS, FEMA MAP, TOPOGRAPHY

13'

12'

11'

10'

Preliminary,
FEMA 2007

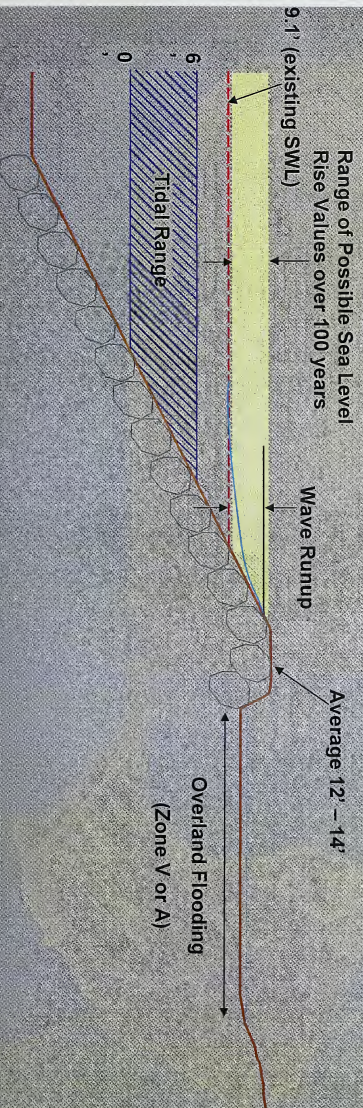
1% SWL 9.1'



EXISTING CONDITIONS, TYPICAL SECTION AT PERIMETER

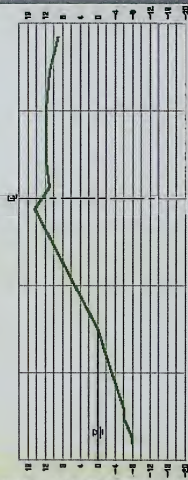
Runup is a function of :

- Wave Height
- Wave Period
- Structure slope
- Depth at Toe
- Roughness

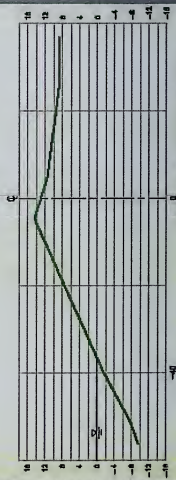




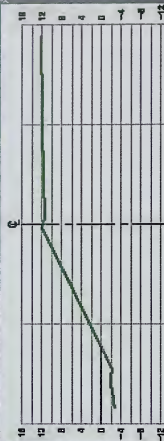
66+20 NORTH SHORELINE



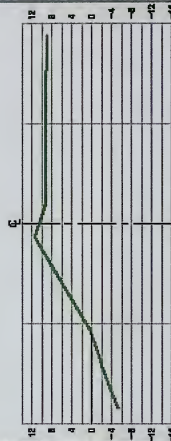
53+85 NORTHWEST SHORE



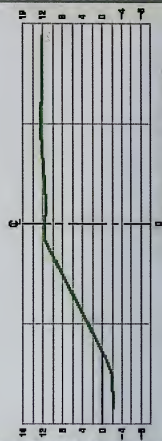
22+85 WEST SHORELINE



148+35 SOUTH SHORELINE



128+90 SOUTHEAST SHOREL

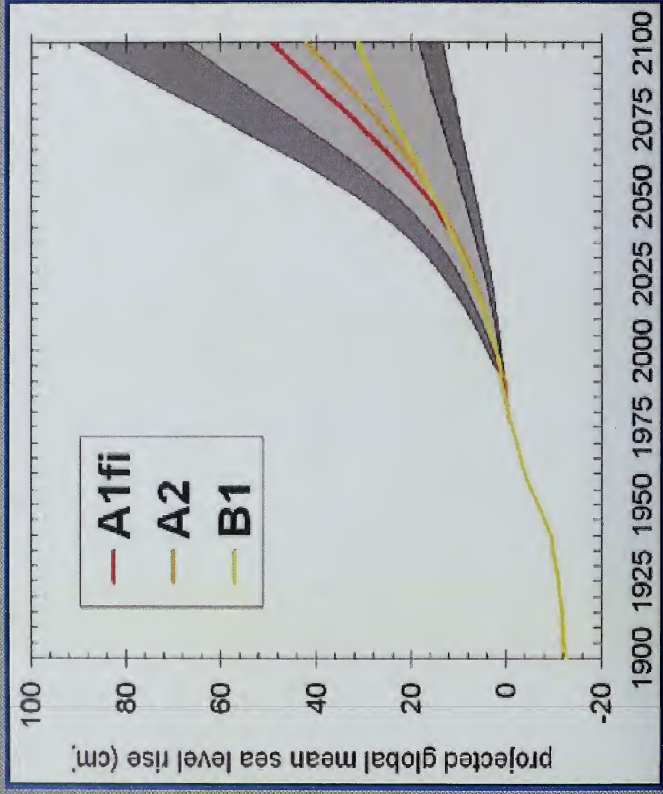


108+10 EAST SHORELINE

ESTIMATING DESIGN ELEVATIONS

1. Estimate 100-yr Water Level (includes tide, surge, tsunamis)
 - this is the Base Flood Elevation (BFE) for interior grades and storm system
 - BFE estimated to be +9.1' [vs. '83 & '05 ENSO]
2. Estimate Wave Run-Up (includes wind waves, swells, setup)
 - storm wave run-up ranges from 3' to 10'
3. Estimate 1% chance event using FEMA guidance
 - combine water levels and waves (no SLR)
4. Conduct Risk & Uncertainty Analyses
5. Develop Design Criteria
 - perimeter crest elevation to prevent flooding
 - interior storm drain system to prevent flooding
6. Address Sea Level Rise
 - summarize estimates and guidance from agencies
 - develop an adaptive management strategy

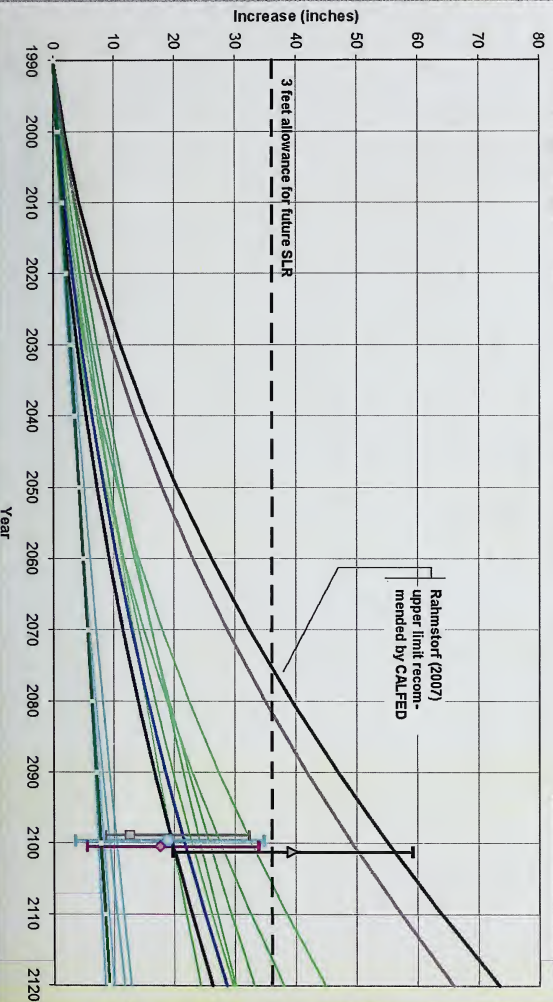
BASIS FOR 1-METER SLR SCENARIOS



Sea Level Rise Projections

Current Peer-Reviewed Literature

Curves show increases based on current peer-reviewed literature; detailed curve shapes by M&N Additional ranges in 2100 are from superseded analyses or published illustrative values.



GUIDANCE FROM OTHER AGENCIES

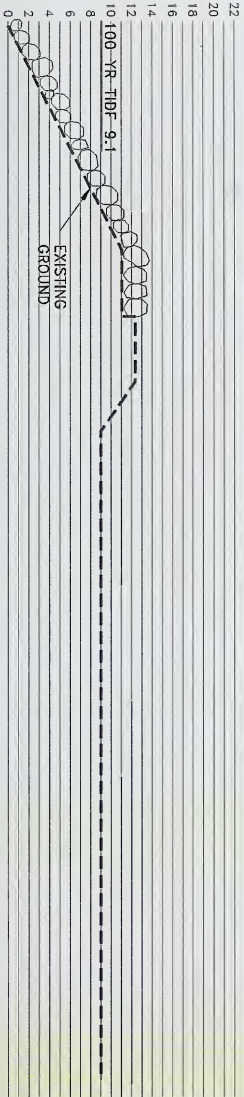
- 1. Federal**
 - Corps
 - EPA
- 2. State**
 - DWR (Science Panel)
 - Legislature (Assembly Bill 1066)
- 3. Regional/Local**
 - BCDC
 - City & County of SF

- ❖ Designs for Perimeter Wave Protection
- ❖ Designs for Interior Grading and Drainage

Adaptive Management Strategy to Accommodate SLR

- ❖ Provide initial designs to protect the Island based on current 100-year tide elevations
- ❖ Provide for the ability to raise the perimeter areas as potential Sea Level Rise occurs
- ❖ Develop funding mechanism for raising the perimeter height in the future as potential Sea Level Rise occurs
- ❖ Provide ability to adapt the perimeter protection if Sea Level Rise exceeds anticipated amounts

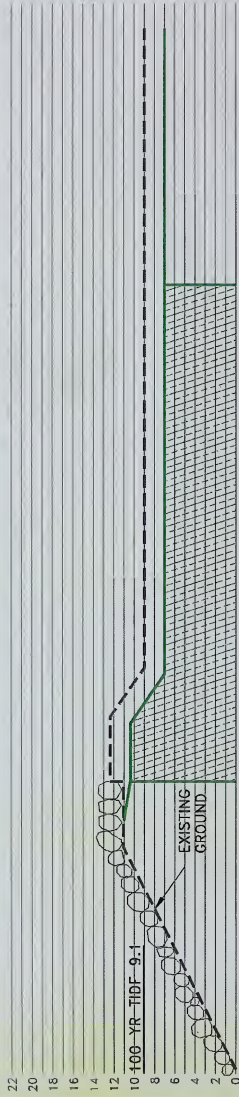
TYPICAL PERIMETER SECTION - EXISTING



Existing Conditions

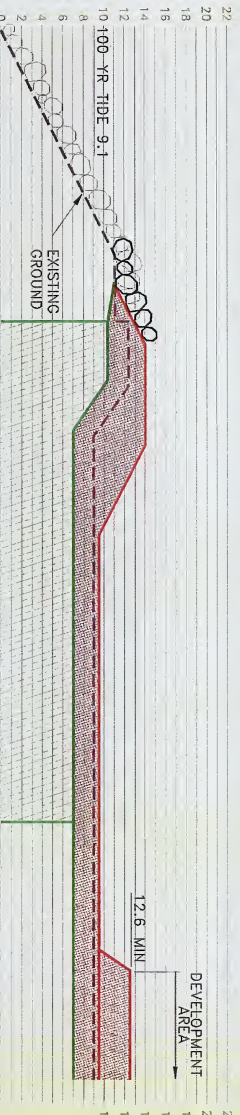
- ❖ Existing perimeter grades vary from elevation 10 to 14
- ❖ Existing in-land grades vary from elevation 7 to 14

PROPOSED GEOTECHNICAL STABILIZATION



- ❖ Geotechnical stabilization techniques will create base for perimeter protection
- ❖ Stabilization will compact soils and lower existing grades

PROPOSED PERIMETER WAVE PROTECTION



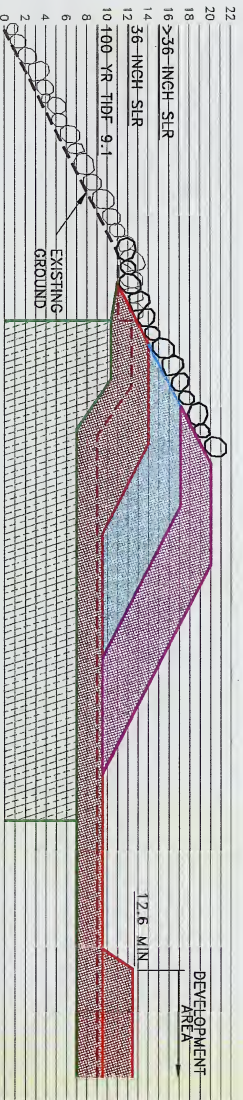
- ❖ Raise perimeter to protect the shoreline against the 1% chance event of wave overtopping
- ❖ New perimeter elevations will range from elevation 12.6 to 16 depending on the location along the shoreline.
- ❖ Raise development area to minimum elevation of 12.6
- ❖ Non-levee protected development. 100-year tide elevation is below the minimum grade of the development area.

STRATEGY FOR FUTURE SLR (up to 36-inches)



- ❖ Perimeter can be raised in the future to accommodate a 36-inch sea level rise scenario. New elevations will vary from 15 to 19
- ❖ Develop funding source to pay for perimeter adjustments
- ❖ Non-levee protected development. 100-year tide elevation plus 36-inches of sea level rise (new elevation of 12.1) remains below the minimum development elevation (12.6).

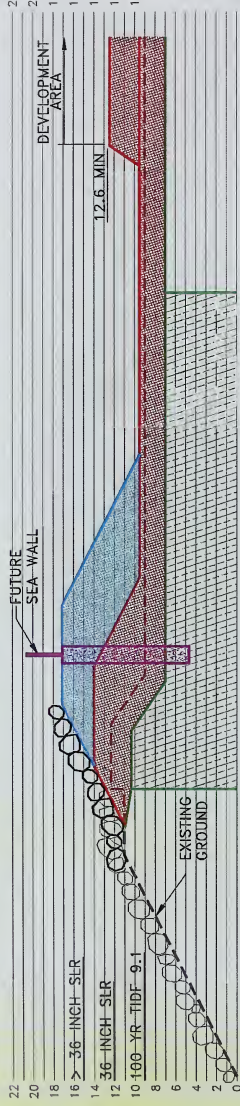
STRATEGY FOR FUTURE SLR (over 36-inches)



Option A (Raise Embankment)

- ❖ Site plan allows for space required to raise perimeter to accommodate additional sea level rise above 36-inches
- ❖ 100-year tide plus sea level rise will be above the minimum grade in the development area.
- ❖ Perimeter will be considered a levee by FEMA standards

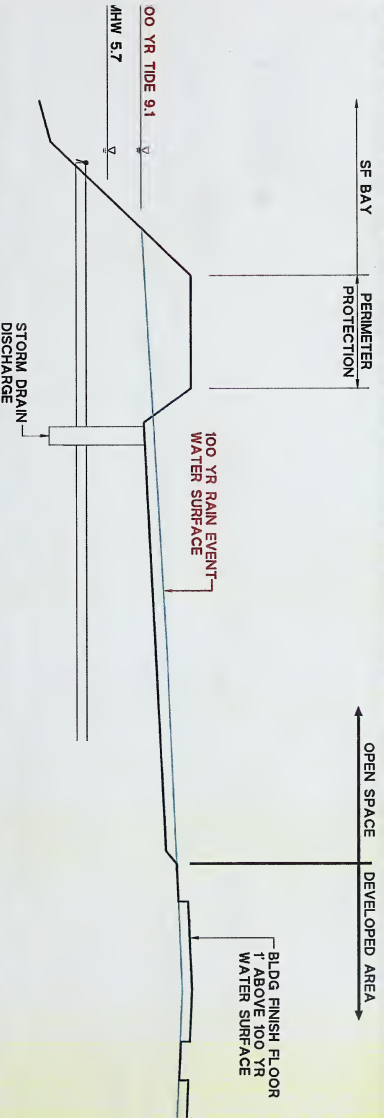
STRATEGY FOR FUTURE SLR (over 36-inches)



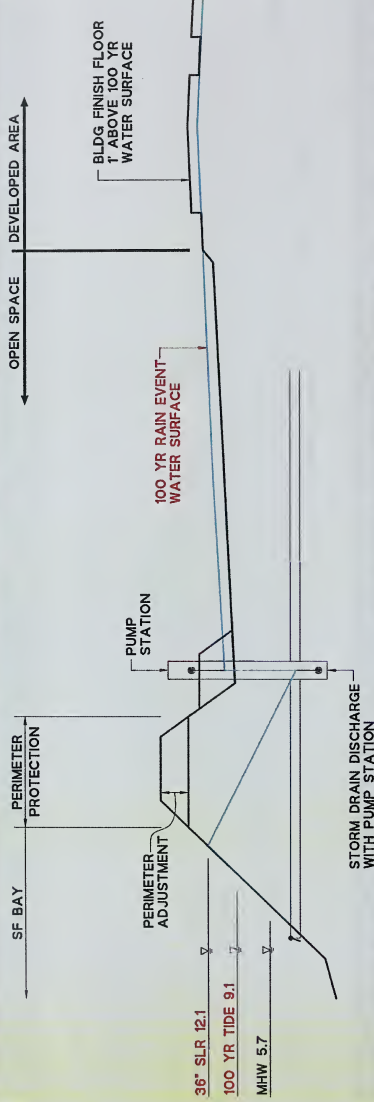
Option B (Install Seawall)

- ❖ Site plan allows for space required to install seawall to accommodate additional sea level rise above 36-inches
- ❖ 100-year tide plus sea level rise will be above the minimum grade in the development area
- ❖ Perimeter will be considered a levee by FEMA standards

PROPOSED DRAINAGE DESIGN



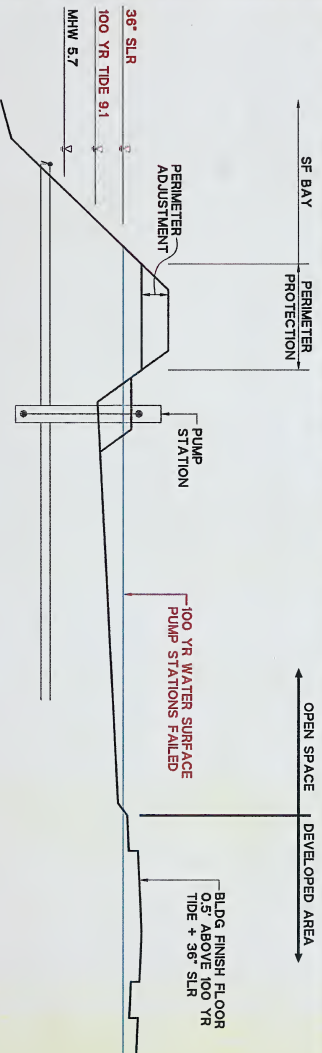
- ❖ Storm drainage system will meet all City standards
- ❖ Gravity outfall structures into the Bay
- ❖ Buildings always 1-foot above water surface during 100-year rain event with 100-year tide
- ❖ Open space areas: short-term ponding at extreme tides + larger rain events



Drainage Design with Sea Level Rise

- ❖ Pump stations added to maintain City drainage standards with SLR
- ❖ Develop a funding source to pay for installation and operation of pump stations.

DRAINAGE STRATEGY FOR FUTURE SLR



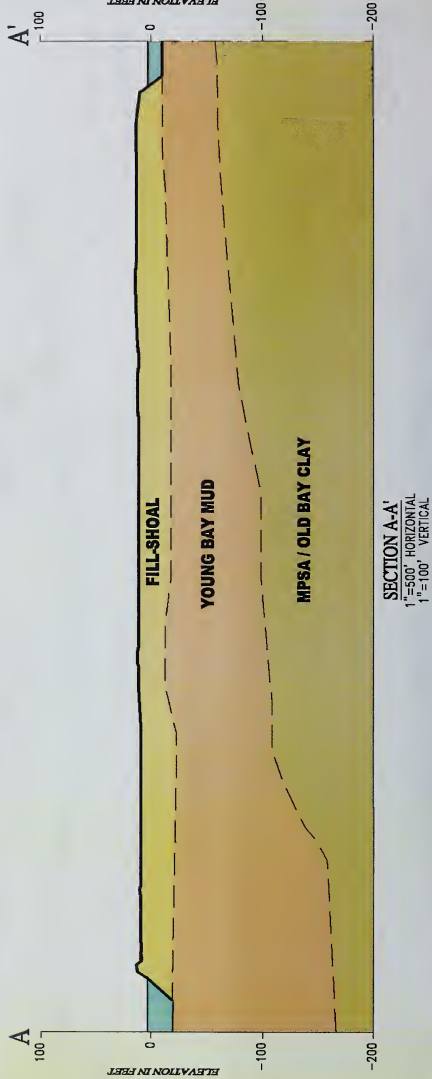
What if all Pump Stations Fail ?

- ❖ 100-year tide, PLUS
- ❖ 36-inch SLR, PLUS
- ❖ 100-year rain event, PLUS
- ❖ All backup systems fail.....



- ✓ Buildings will still remain at least 6-inches above water surface
- ✓ Other areas will see ponding for short period of time during high tide
- ✓ Development remains non-levee protected

GEOTECHNICAL CONDITIONS - EXISTING



FACTORS FOR CONSIDERATION

- ❖ Need to raise grades to accommodate future sea-level rise
- ❖ Desire to reduce damage to surface and subsurface improvements

INDEPENDENT REVIEW PANEL

Facilitator – Dr. Robert Pyke

Panelists:

Dr. Izzat M. Idriss

Dr. Raymond B. Seed

Dr. James K. Mitchell

Dr. Ross W. Boulanger

CITY'S PEER REVIEW TEAM

URS – Dr. Lelio Mejia

BENEFITS TO SITE IMPROVEMENTS

- ❖ Reduced seismic settlements due to liquefaction
- ❖ Enhanced protection of utilities, roadways, hardscape (including sidewalks, plazas, etc.)
- ❖ Reduced long-term total and differential bay mud settlements

BENEFITS TO BUILDING FOUNDATIONS

- ❖ Allows the use of shallow foundations
- ❖ Minimizes liquefaction-induced settlement
- ❖ Minimizes downdrag on piles
- ❖ Provides lateral support for basements

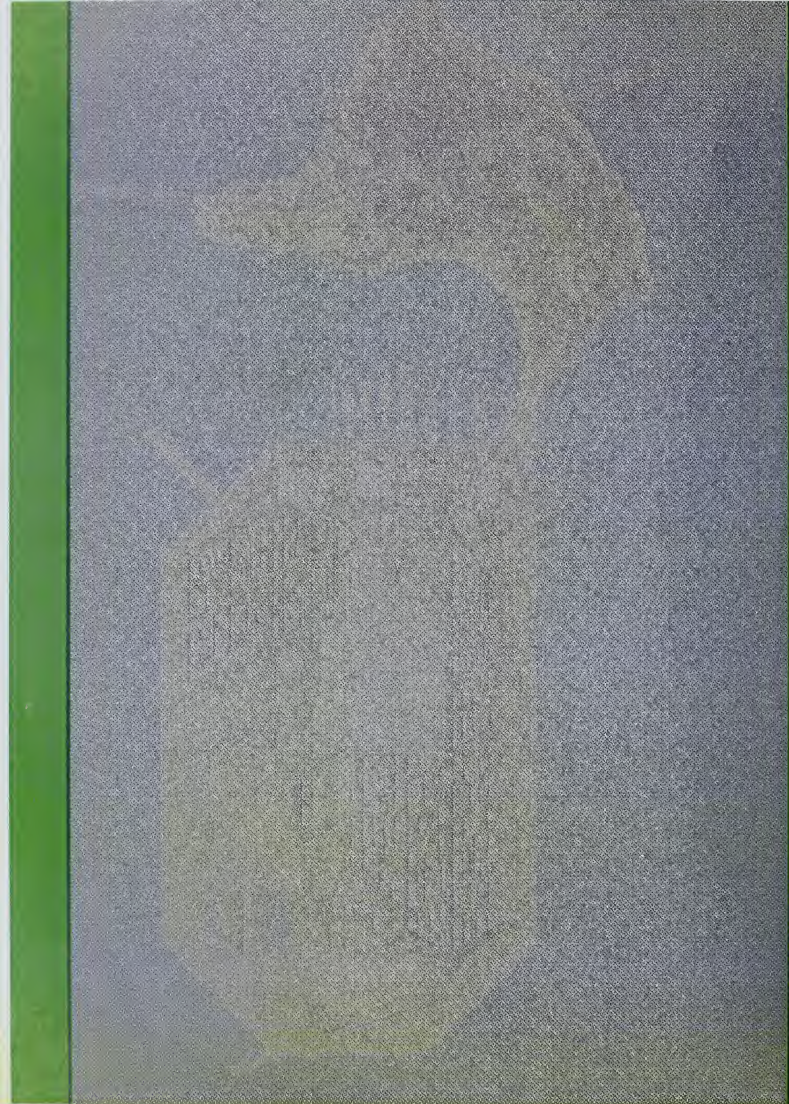
- ❖ Established by the Beverly Act in 1979
- ❖ Independent, state-level public entity to oversee geologic hazard prevention, mitigation, abatement and control
- ❖ Similar authority to other public agencies including:
 - Taxing ability
 - Bonding ability
 - Legal immunity
- ❖ Typically funded by supplemental property tax assessments
- ❖ No limitation as to number of units, area or contiguity
- ❖ Approximately 60 GHADs in existence, many more under formation



BENEFITS OF A GHAD

- ❖ Active management and rapid response capabilities
- ❖ Long-term maintenance and capital improvement requirements
- ❖ Lack of availability of insurance coverage for earth movement









& COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
3. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

DRAFT Minutes of January Board Meeting
Treasure Island Development Authority
January 14, 2009

San Francisco City Hall
Room 400
San Francisco, CA

Gavin Newsom, Mayor

1. Call to Order

1:38 P.M.

Roll Call

Present

Owen Stephens, President
John Elberling, CFO, Secretary
Douglas Shoemaker
John Rahaim
Fred Blackwell

Excused

Jared Blumenfeld
Helen Nigg
Supervisor Chris Daly

GOVERNMENT
DOCUMENTS DEPT

FEB - 6 2009

SAN FRANCISCO
PUBLIC LIBRARY

2, Director's Report

Ms. Mirian Saez, Director of Island Operations, reported that burglaries increased in December to 11 and that a juvenile thought to be behind several was apprehended. There were also two armed robberies. The Parking Program is scheduled to be implemented in February. It is aimed at reducing illegal parking and eliminate abandoned vehicles. It is in accordance with the Traffic and Vehicle Code of San Francisco, and it will assist us with public safety.

Demolition of Buildings 7 and 92 is complete; cost is \$500,000. Repair to the roofs of Building One, the Island Market & Deli, and Building 201 is complete; cost is \$137,000.

The MUNI used bus shelters are still scheduled for late spring installation. DPW is refurbishing existing shelters to get them through the winter months.

The Island Café RFQ produced several interested parties and one proposal. It is anticipated that a sublease and operating agreement will be presented for approval at the February Board meeting. Approximately 60 inoperable Navy vehicles are scheduled to be removed from the City and Island in cooperation with the Navy and GSA Fleet Management. Effort will rid the Island of inoperable vehicles.

The San Francisco Public Library now includes Treasure Island in its weekly Bookmobile Routes – every Thursday.

Other Notes: Ireland's President Mary McAleese dedicated the Gaelic Fields in December; TI/YBI was included in Golden Gate Audubon Society annual bird count in December; five new leases totaling \$164,000 were signed in November; and Attorney Leslie Katz has joined the TIDA Staff.

There was no public comment.

3. Report by Office of Economic & Workforce Development

Mr. Jack Sylvan reported the redevelopment project plans have received two awards recently: 1) the Governor's Environmental and Economic Leadership Award in the Sustainable Communities category, the only recipient in that category; and 2) an AIA 2009 Institute Honor Award for Urban Design, one of six projects selected from an international competition.

The CAB Board added four Island residents in a December election.

The Mayor's Office forwarded request to the Speaker's Office for legislative priorities in this legislative session for transfer of Treasure Island. Speaker's Office is committed to pushing transfer forward. Conversation continues with the DC Navy to push transfer process along as well. The Master Development Schedule has been updated based on the current EIR schedule. It shows project approval in Spring 2010. The ramps project with Caltrans is worked into this schedule, as is the Marina.

There was no public comment.

4. Communications

Communication items include: John Stewart Co.'s November 2008 Percentage Rent Report, correspondence to Howard Mauskopf (Exotic Erotic Ball) and Rex Liu (SF Kanko) from the Director of Island Operations, a letter from George Vazhappally in response to the Island Café RFQ, the monthly financial report, and some miscellaneous correspondence.

5. Report from the Treasure Island/Yerba Buena Island Citizen's Advisory Board

There was no report.

6. Ongoing Business by Directors

There was no ongoing business to report.

7. General Public Comment

Two directors from the Boys & Girls Club of San Francisco (Club House) reiterated their thanks as expressed at November's meeting.

8. Consent Agenda

Director Elberling requested Consent Agenda Items G and H be pulled for discussion.

There was no public comment on the remaining items.

Director Rahaim motioned for approval.

The remaining Consent Agenda pass unanimously.

8 Items G&H

Resolution Retroactively Approving the Sixth Amendment to the Exclusive Negotiating Agreement with Treasure Island Enterprises, LLC to Extend the Time for Exclusive Negotiations for the Redevelopment of the Treasure Island Marina. – and - Resolution Retroactively Approving a Third Addendum to the Term Sheet for the Disposition and Development Agreement and Ground Lease between the Treasure Island Development Authority and Treasure Island Enterprises, LLC for the Redevelopment of the Treasure Island Marina.

Mr. Jack Sylvan provided a brief history of the Marina redevelopment and reasons for breaking it out from the land redevelopment. Later the Board approved an Addendum stating that the same entity would develop the infrastructure for both the Marina and the land redevelopment to maintain consistency.

These two resolutions extend the terms of the ENA to be consistent with the master development and the anticipated time of the turnover; and two, it updates time frames in conjunction with Navy negotiations.

There was no public comment.

Director Elberling motioned Item 8G for approval.

The Item was moved unanimously.

Director Rahaim motioned Item 8H for approval.

The Item was moved unanimously.

9. Resolution Approving and Authorizing the Execution of a Memorandum of Understanding with the San Francisco Public Utilities Commission for Payment of Unpaid Utility Amounts.

Mr. Marc McDonald reported that TIDA had not paid SFPUC money since 1997 for services provided. In December 2005 it was determined that unpaid utility bills totaled more than \$2 million. The Project Staff and SFPUC have negotiated payment over 11 years, and the PUC Commission has approved. After approval by TIDA, the MOU will be presented to the Board of Supervisors for their approval.

There was public comment from Eve Bach who questioned what the rationale of the PUC subsidy of more than \$500,000 which will benefit the Navy was. She also asked for more information on this as a public policy where the City is subsidizing. Director of Island Operations said she would follow up with Ms. Bach on her question.

Director Rahaim asked for clarification as to whether it was a subsidy or a negotiated settlement. Ms. Saez explained that the payment was an obligation for services received but not paid for several years as the 2005 Audit indicated.

Director Elberling motioned for approval.

The Item was moved unanimously.

10. Resolution Approving an Amended and Restated Grant Agreement among the Municipal Transportation Agency, the San Francisco Bay Area Water Transit Authority and the Treasure Island Development Authority Regarding the Expenditure and Administration of Grant Funds for the Treasure Island Ferry Terminal Project.

Mr. Jack Sylvan reported that the State legislation converted the Bay Area Water Transit Authority(WTA) into the Bay Area Water Emergency Transportation Authority(WETA) and gave WETA the authority and responsibility to plan and operate the ferries on San Francisco

Bay. This resolution reflects this change between the MOU with the MCA to include WETA. Jon Stanley of WETA also spoke briefly.

Director Blackwell asked about the selection process. Mr. Sylvan explained that Staff recommended, but WETA Board had final approving authority.

There was no public comment.

Director Blackwell motioned for approval.

The Item was moved unanimously.

11. Presentation on Sea Level Rise, Perimeter Protection, Interior Drainage & Grading, and Geotechnical Design Approach.

Mr. Michael Tymoff introduced the item including City agency outreach and peer review services performed by URS. Kheay Loke of TICD introduced their design and engineering team including, Dilip Trivedi of Moffatt and Nichol, Todd Adair of BKF Engineers, and Uri Eliahu of ENGEO. Kheay Loke gave brief introductory remarks about the design/planning process to address the issue of potential sea level rise and how to best address it on Treasure Island. TICD's design and engineering team presented a review of the relevant literature and studies on sea level rise projections, and then looked from there to the specific characteristics of Treasure Island. TICD's approach is to raise both perimeter and site grades, and that would accommodate a range of adaptive management strategies in the future. This approach led to a second set of questions regarding interior drainage and geotechnical design improvements to accommodate weight of imported soil needed to raise grades up to three feet within the development parcels. The preferred design approach is to achieve finish floor elevations with a free board of six inches in a worse-case scenario (100 year storm event plus 36" inches sea level rise). Perimeter open space areas will have limited, short term ponding at high tide. The geotechnical design approach includes a range of techniques for densifying soil and subgrade materials to mitigate issues associated with liquefaction and settlement. The specific techniques to be employed will vary depending on the existing condition of the perimeter and subgrade conditions. Additional geotechnical investigations and site testing will be conducted to determine the most appropriate techniques in each location. The geotechnical improvements will be performed in the first phase of construction.

Director Rahaim expressed concern about the visual connection and urban design implications of raising the perimeter and development pad grades, but not the open space in between, and asked if alternative scenarios had been considered that would slope finish grades up gradually from the perimeter to the development pads. TICD's team responded that such an approach would require significantly more soil (and cost) and could also lead to erosion of the perimeter shoreline improvements.

There was no public comment.

Director Shoemaker left at approximately 3:15 P.M.

12. Discussion of Future Agenda Items by Directors.

There was no discussion.

13. Possible Closed Session

There was no public comment on the proposed Closed Session.

Director Elberling motioned to move to closed session..

The TIDA Board went into Closed Session at 3:33 PM.

Closed Session Attendees:

Jack Sylvan, Office of Joint Development

Peter Holm, Treasure Island Development Authority

Eileen Malley, Office of the City Attorney

Mirian Saez, Director of Island Operations

The TIDA Board returned to Open Session at 3:42 PM.

Director Rahaim motioned not to disclose the Closed Session discussion.

The Board unanimously voted not to disclose the Closed Session discussion.

14. Adjourn

The meeting was adjourned at 3:43 P.M.

1 & COUNTY OF SAN FRANCISCO

ASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
3. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
415) 274-0660 FAX (415) 274-0299
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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY MEETING AGENDA

February 11, 2009 – 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

GOVERNMENT
DOCUMENTS DEPT

Gavin Newsom, Mayor

FEB - 6 2009

DIRECTORS

SAN FRANCISCO
PUBLIC LIBRARY

Owen Stephens, *President*
Fred Blackwell
Jared Blumenfeld
Helen Nigg

Supervisor Chris Daly *Ex-Officio*
John Elberling, *CFO, Secretary*
John Rahaim
Douglas Shoemaker

Mirian Saez, Director of Island Operations
Peter Holm, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Report by Director of Island Operations (*Discussion Item*)
Length of Item: 5 minutes
3. Report by Office of Economic & Workforce Development (*Discussion Item*)
Length of Item: 10 minutes
4. Communications (*Discussion Item*)
Length of Item: 5 minutes
5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)
Length of Item: 5 minutes

6. Ongoing Business by Directors (*Discussion Item*)
Length of Item: 5 Minutes
7. General Public Comment (*Discussion Item*) ****In addition to General Public, Public Comment will be held during each item on the agenda. ****
Length of Item: 10 minutes
8. **CONSENT AGENDA**
Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

- a. Approving the Minutes of the January 14, 2009 Meeting (*Action Item*)
 - b. Resolution Retroactively Approving and Authorizing the Execution of a First Amendment to Sublease No. 24 with Boys & Girls Clubs of San Francisco, Inc. for approximately 11,535 square feet of classroom space at Buildings 33A, B, and C at Former Treasure Island Elementary School – 401-13th Street, Treasure Island (*Action Item*)
 - c. Approval of 2009 Minimum Monthly Rental Rate Schedule (*Action Item*)
9. Resolution Approving and Authorizing the Execution of a Sublease with Wine Valley, Inc., a California corporation doing business as TI Pies for Parcel A: approximately 640 square feet of restaurant space located at Building 183; and Parcel B: approximately 2,500 square feet of land adjacent to Building 183, Treasure Island (*Action Item*)
Presented by Richard Rovetti, Treasure Island Development Authority
Length of Time: 10 Minutes
 10. 2009/2010 Budget Presentation (*Discussion Item*)
Presented by Mirian Saez, Treasure Island Development Authority
Length of Time: 5 Minutes
 11. Status of the Navy Environmental Cleanup Program at former Naval Station Treasure Island (*Discussion Item*)
Presented by James B. Sullivan, Navy BRAC Program Management Office West
Length of Time: 15 Minutes
 12. POSSIBLE CLOSED SESSION
If approved by the TIDA Board, this Closed Session item will take place for approximately 30 minutes at the end of the meeting

- a. Public Comment on all items relating to closed session
- b. Vote on whether to hold closed session to confer with real property negotiators. (*Action item*)
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
 - Persons negotiating for the Authority:* Jack Sylvan, Michael Tymoff
 - Persons negotiating with the Authority:* United States Navy, Treasure Island Community Development LLC,
 - Property:* Former Naval Station Treasure Island
 - Under Negotiation:*
Price: _____ Terms of payment: _____ Both: X
- d. Reconvene in open session (*Action item*)
 - i. Possible report on action taken in closed session under Agenda Item 12 (Government Code section 54957.1 (a) (1) and San Francisco Administrative Code Section 67.12)
 - ii. Vote to elect whether to disclose any or all discussions held in closed session (*San Francisco Administrative Code Section 67.12*).

13 Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2nd Floor, 410 Ave. of Palms, San Francisco, CA 941130 during normal office hours.

Disability Access

The Treasure Island Development Authority holds its regular meetings at San Francisco City Hall. City Hall is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) at least 72 hours prior to the meeting to help ensure availability.

The nearest accessible BART station is Civic Center Plaza at the intersection of Market, Grove, and Hyde Streets. The accessible MUNI Metro lines are the J, K, L, M, and N (Civic Center Station or Van Ness Avenue Station). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/ Noriega. Accessible curbside parking is available on 1 Dr. Carlton B. Goodlett Place and Grove Street. For more information about MUNI accessible services, call 923-6142.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based scented products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact: Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the SOTF or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/>.



POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103-4603

ATHER J. FONG
CHIEF OF POLICE

February 4, 2009



Ms. Mirian Saez
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
SF., CA 94130

SENT VIA FACSIMILE TO (415) 274-0299

Reference: Treasure Island Crime Statistics – January 2009

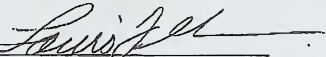
Dear Ms. Saez:

There were thirty incident reports filed with the San Francisco Police Department about occurrences on Treasure Island and Yerba Buena Island during the month of January 2009. Please see Attachment A for specific information.

Please Contact me at (415) 553-9154 or at Daniel.McDonagh@sfgov.org if you have any questions.

Sincerely,

Daniel McDonagh
Captain – Southern Station

By 
Officer Louis Glaser
Southern Station
(415) 553-7959

CITY AND COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: Treasure Island Development Authority Board of Directors
From: Mirian Saez, Director of Island Operations
Date: February 6, 2009
Re: Use Permit and Film Permit Waivers and Reductions

The following waivers and reductions were granted for short-term Use Permits and Film Permits between January 10, 2009 and February 6, 2009

Waivers:

- January 26th – 30th - City and County of San Francisco General Services Agency – Building 180 North, Building 180 Parking Lot, Building 1 Admiral's Conference Room.
- January 25th – Leukemia and Lymphoma Society Team in Training – Building 180 Parking Lot, non-exclusive use of Clipper Cove and of various Treasure Island streets.
- January 13, 14, 16 – San Francisco Police Department – Building 258 (Old Post Office).

Reductions:

None.



Memorandum

To: Mirian Saez, Director of Island Operations, TIDA

From: Dan Stone, Property Manager, The Villages at Treasure Island
Ned York, Assistant Vice President, The John Stewart Company

Date: January 26, 2008

Subject: 2008 Financial Summary

The 2008 JSCo financial year has concluded. The year can be general considered to be very successful. Four areas contributed to our success: 1) Income, 2) Expenses, 3) % Rent TIDA and 4) Reserve Fund Balance.

Income. Total revenue was anticipated to be \$13,270,428 for 2008. Actual total revenue was \$13,469,451 which is 1.5% higher than expected. The main factor for this increase is the net result of a lower than expected rental vacancy. The average annual vacancy for 2008 was 3.0%.

Expenses. Total expenses were anticipated to be \$13,130,100 for 2008. Actual total expenses were \$13,520,730 which is 2.98% higher than expected. The main reason for this is The Villages paid TIDA \$560,475 over the amount budgeted. Several other factors require attention. Legal/Mediation Expenses was 49% lower than expected which is the result of our efforts to resolve resident issues prior to requiring legal actions. Collection loss was 54% lower than expected which is the result of a very strong rental market and residents maintaining the terms of the lease for longer periods of time. This may change in 2009. Electricity was 1.4% higher than anticipated. Efforts to conserve electricity will be made to reduce this expense. Plumbing maintenance was 47% higher than expected which is the result of an ageing infrastructure that will continue to require financial commitment. We will broaden our number of capable, qualified service providers an effort to retain competitive pricing. Property Insurance was 20% lower than expected which is the result of an adjustment from the insurance provider. Expenses in the reserve items were 13% lower than expected. Appliances were 4% lower, Interior Replacements were 27% higher and Exterior Replacements were 40% lower. The variances in the expenses category are partially the result of an accounting practice in the categorization of expense items and will be corrected for 2009.

% Rent TIDA. % Rent TIDA was expected to be \$6,002,400. Actual % Rent TIDA was \$6,562,875 which is 9.3% higher than expected.

Reserve Fund. The reserve fund grew from \$500,363 to \$615,529 during 2008. This was the result of paying for capital items from operation funds. According to the Prioritized Analysis of Capital Expenditures, the ending reserve fund balance was estimated to be \$655,060 as of December 31st. The difference between the actual and projected is attributed to the fact we did not make voluntary supplemental reserve deposit beyond the \$20 per unit per month.

ANTICIPATED CAPITAL EXPENDITURES 2008 ACTIVITY AND 2009 UPDATE

Prepared By:
The John Stewart Company



THE
JOHN STEWART
COMPANY

Table of Contents

- ◆ Introduction
- ◆ Description
- ◆ 2008 Anticipate Capital Expenditures
- ◆ 2008 Budget vs. Actual
- ◆ Replacement Photos
- ◆ Lessons Learned 2008
- ◆ Anticipated Capital Expenditures 2009 Update
- ◆ Summary

Introduction

The Villages at Treasure Island conducted a physical inspection of the physical assets of the community in March 2008. On March 20, 2008, the Prioritized Analysis of Capital Expenditures was presented to identify several components within a seven year lifespan and the total cost of repairing these components.

Description of Exterior Components

Treasure Island & Yerba Buena Island

- ♦ Re-Roofing
- ♦ Gutters & Downspouts
- ♦ Window Replacement
- ♦ Sliding Glass Door Replacement
- ♦ Exterior Repainting
- ♦ Fence Rebuild
- ♦ Decks & Railings
- ♦ Boiler Replacement
- ♦ Hot Water Heater Replacement
- ♦ Furnace Replacement

2008 Capital Expenditures Budget

Exterior Components	Total Quantity	Unit Cost	Total
Re-Roofing	37	\$2,000	\$74,520
Gutters & Downspouts	9	\$400	\$3,726
Window Replacement	5	\$500	\$2,588
Sliding Glass Door Replacement	3	\$3,000	\$9,315
Exterior Repainting	3	\$6,000	\$18,630
Fence Rebuild	38	\$3,000	\$114,885
Decks & Railings	0	\$0	\$0
Boiler Replacement	3	\$25,000	\$77,625
Hot Water Heater Replacement	7	\$1,250	\$9,056
Furnace Replacement	4	\$3,500	\$14,490
Total			\$324,835

2008 Budget vs. Actual

Exterior Components	Total Quantity Actual	Budget	Actual
Re-Roofing	36	\$74,520	\$75,604
Gutters & Downspouts	5	\$3,726	\$4,260
Window Replacement	5	\$2,588	\$10,256
Sliding Glass Door Replacement	3	\$9,315	\$8,741
Exterior Repainting	3	\$18,630	\$9,058
Fence Rebuild	37	\$114,885	\$72,088
Boiler Replacement	2	\$77,625	\$49,830
Hot Water Heater Replacement	38	\$9,056	\$12,224
Furnace Replacement	1	\$14,490	\$2,975
Total		\$324,835	\$245,036

Roof Replacements



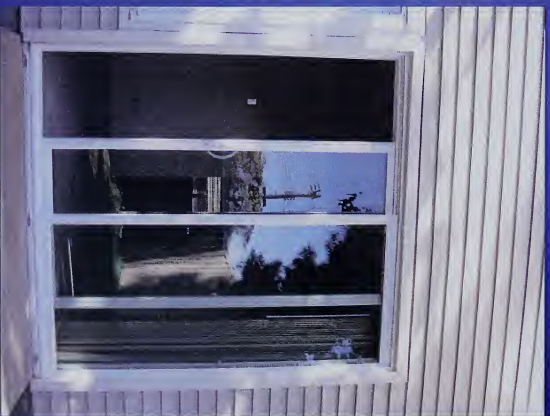
Gutters & Downspouts



Window Replacement



Sliding Glass Door Replacement



Exterior Repainting



Exterior Repainting



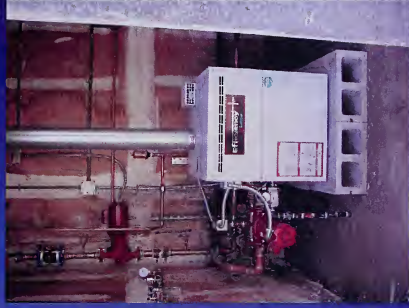
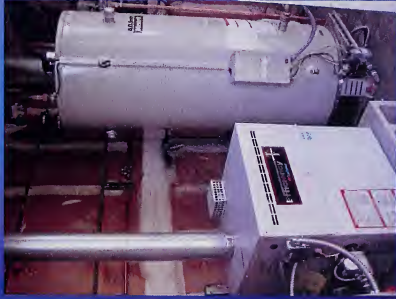
Decks & Railings



Fence Replacements



Boiler Replacements



Hot Water Heater Replacement



Furnace Replacement



Lessons Learned

Exterior Components	2008 Lessons Learned
Re-Roofing	Patching is a cost effective alternative
Gutters & Downspouts	Cleaning is cheaper than repairing
Window Replacement	Breakage from forced entry
Sliding Glass Door Replacement	Breakage from forced entry
Exterior Repainting	More cost effective to utilize TI staff
Fence Rebuild	75 posts replaced
Decks & Railings	As YBI requires, 1 year inspection
Boiler Replacement	2 completed in 2008, possible to replace in 1/2 units
Hot Water Heater Replacement	Need higher quality device
Furnace Replacement	

Anticipated Capital Expenditures Update 2009

In 2009 we updated the Anticipated Capital Expenditures by:

- Inputting the 2008 expenditures
- Conducting a field study
- Updating the remaining useful life of components
- Updating assumptions including: cost and interest factors

ALL THE CONFERENCE WILL

Prepared by The Johns Hopkins Center for Communications Programs

Experiments

1

[illegible]

2009 Anticipated Capital Expenditures

Exterior Components	Total Quantity	Unit Cost	Total
Re-Roofing	35	\$2,000	\$74,828
Gutters & Downspouts	5	\$400	\$2,081
Window Replacement	5	\$1,000	\$5,202
Sliding Glass Door Replacement	3	\$3,000	\$9,364
Exterior Repainting	2	\$6,000	\$12,485
Fence Rebuild	25	\$2,000	\$52,020
Boiler Replacement	3	\$25,000	\$78,030
Hot Water Heater Replacement	40	\$450	\$18,727
Furnace Replacement	5	\$2,700	\$14,045
Total			\$264,782

Summary

- 2008 budget (\$324,835) vs. actual (\$245,036) is 25% less than budgeted.
- 2009 budget (\$264,782) vs. 2008 budget (\$324,835) is 19.5% less than previous year.
- The Villages at Treasure Island is aware of the current economic realities.



TREASURE ISLAND DEVELOPMENT AUTHORITY-OPERATIONS

FISCAL YEAR 2008-2009 EXPENDITURES REPORT

AS OF JANUARY 31, 2009

	TIDA BUDGET-OPERATIONS			
	TOTAL EXPENDITURES			AVAILABLE BALANCE SURPLUS/ (DEFICIT)
	TOTAL BUDGET FY 08-09	ACTUAL EXPENDITURES FY 2008-2009	OUTSTANDING P.O. BALANCES	
ADMINISTRATION				
TOTAL TRAVEL COSTS FOR TRAINING & CONFERENCES	\$ 5,000.00	\$ 2,590.00	\$ -	\$ 2,410.00
TOTAL TRAINING COSTS	\$ 8,000.00	\$ 4,030.00	\$ -	\$ 3,970.00
TOTAL LOCAL FIELD EXPENSES	\$ 750.00	\$ 369.00	\$ -	\$ 381.00
TOTAL MEMBERSHIP FEES	\$ 4,000.00	\$ 760.00	\$ -	\$ 3,240.00
TOTAL PROMOTIONAL AND MARKETING EXP	\$ 15,000.00	\$ 4,039.00	\$ 11,064.00	\$ (123.00)
TOTAL DELIVERY AND POSTAGE (OTHER CURRENT EXP)	\$ 21,200.00	\$ 6,176.00	\$ -	\$ 15,024.00
TOTAL OFFICE RENTAL AND LEASED EQUIPMENT	\$ 30,000.00	\$ 7,224.00	\$ 4,892.00	\$ 17,884.00
TOTAL OFFICE MATERIALS & SUPPLIES	\$ 16,000.00	\$ 4,701.00	\$ 2,083.00	\$ 9,216.00
TOTAL ADMINISTRATION	\$ 99,950.00	\$ 29,889.00	\$ 18,059.00	\$ 52,002.00
TOTAL OTHER CURRENT EXPENSES	\$ -	\$ 29,889.00	\$ 1,425.00	\$ (18,276.00)
PROFESSIONAL & SPECIALIZED SVCS				
TREASURE ISLAND BOYS & GIRLS CLUB HOUSE	\$ 140,000.00	\$ 58,560.00	\$ 81,420.00	\$ -
TIDHI-OPERATING CONTRACT	\$ 175,000.00	\$ 84,101.00	\$ 90,899.00	\$ -
TIDGYM OPERATIONS YMCA	\$ 150,000.00	\$ -	\$ -	\$ 150,000.00
MARINE SALVAGE	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00
GOLDEN GATE EXPO ANNIVERSARY PRODUCTION	\$ 200,000.00	\$ -	\$ -	\$ 200,000.00
SPECIAL EVENTS STAFF	\$ 7,500.00	\$ -	\$ -	\$ 7,500.00
COMMUNITY BENEFIT FUND (\$75K DEM, \$61K Skate Board Park, \$8K outreach)	\$ 74,000.00	\$ -	\$ -	\$ 74,000.00
SCAVENGER SERVICES (GOLDEN GATE DIPSOAL)	\$ 25,000.00	\$ 16,116.00	\$ 13,884.00	\$ (5,000.00)
JANITORIAL SERVICES (TOOLWORK)	\$ 150,000.00	\$ 62,897.00	\$ 87,303.00	\$ -
GROUND MAINTENANCE (RUBICON)	\$ 850,000.00	\$ 494,083.00	\$ 355,917.00	\$ -
TIDA DIRECTORS LIABILITY INSURANCE	\$ 51,245.00	\$ -	\$ -	\$ 51,245.00
AT&T MOBILITY	\$ -	\$ 184.00	\$ -	\$ (184.00)
TOTAL PROFESSIONAL & SPECIALIZED SVCS	\$ 1,842,745.00	\$ 715,761.00	\$ 629,423.00	\$ 497,561.00
TOTAL UNPLANNED PROFESSIONAL SERVICES	\$ -	\$ 76,182.00	\$ 72,916.00	\$ (149,098.00)
TOTAL OTHER PROFESSIONAL EXPENSES	\$ -	\$ 10,118.00	\$ 15,061.00	\$ (25,179.00)
TOTAL FACILITIES MAINTENANCE (CAPITAL IMPROV)	\$ 810,000.00	\$ 135,263.00	\$ 716,484.00	\$ 92,572.00
CITY DEPARTMENT WORK ORDERS				
OTIS SERVICES	\$ 16,000.00	\$ 7,782.00	\$ 7,782.00	\$ -
WI-FI PROJECT	\$ 30,000.00	\$ 35.00	\$ 33,727.00	\$ -
EMERGENCY COMMUNICATIONS DEM (COMMUNITY BENEFIT FUND)	\$ 70,000.00	\$ -	\$ 70,000.00	\$ -
RISK MANAGEMENT	\$ 127,525.00	\$ 6,104.00	\$ 121,421.00	\$ -
GENERAL SERVICES AGENCY	\$ 1,073,602.00	\$ 365,737.00	\$ 707,865.00	\$ -
CITY ATTORNEY	\$ 200,000.00	\$ 26,919.00	\$ 173,081.00	\$ -
HR-MNGT TRAINING	\$ 3,000.00	\$ -	\$ 3,000.00	\$ -
CENTRAL SHOPS AUTO MAINT	\$ 3,000.00	\$ 2,325.00	\$ 675.00	\$ -
CENTRAL SHOPS FUEL	\$ 3,500.00	\$ 1,468.00	\$ 532.00	\$ -
REPRODUCTION	\$ 25,000.00	\$ 642.00	\$ 24,358.00	\$ -
PUC-HETCHY HETCHY (\$550K Utilities, \$300K Generators, \$100K MOU)	\$ 950,000.00	\$ 309,475.00	\$ 640,525.00	\$ -
DPW-BUILDING REPAIR	\$ 1,165,562.00	\$ 529,958.00	\$ 635,604.00	\$ -
DPW-CONSTRUCTION MANAGEMENT	\$ 20,000.00	\$ 5,869.00	\$ 14,131.00	\$ -
SUB-TOTAL	\$ 3,687,189.00	\$ 1,256,294.00	\$ 2,432,681.00	\$ -
PROTECTIVE SERVICES				
GF-POLICE SECURITY	\$ 776,809.00	\$ 126,967.00	\$ 649,842.00	\$ -
GF-FIRE	\$ 3,807,982.00	\$ 2,437,258.00	\$ 1,327,156.00	\$ -
SUB-TOTAL	\$ 4,574,791.00	\$ 2,564,225.00	\$ 1,976,998.00	\$ -
TOTAL CITY DEPARTMENT WORK ORDERS	\$ 8,261,980.00	\$ 3,820,519.00	\$ 4,409,679.00	\$ -
TOTAL FOR FISCAL YEAR 2008-2009	\$ 11,014,675.00	\$ 4,787,732.00	\$ 5,861,622.00	



**TREASURE ISLAND DEVELOPMENT AUTHORITY
FISCAL YEAR 2008-2009 REVENUES REPORT
AS OF JANUARY 31, 2009**

	BUDGET	ACTUAL	BALANCE	%
TI SPECIAL EVENTS REVENUES	\$ 671,150.00	\$ 374,297.00	\$ 296,853.00	55.77%
TI COMMERCIAL REVENUES	\$ 864,400.00	\$ 574,251.00	\$ 290,149.00	66.43%
TI FILM REVENUES	\$ 30,000.00	\$ 8,800.00	\$ 21,200.00	29.33%
YBI FILMING/CELLSITES/BANNER REVENUES	\$ 323,400.00	\$ 135,959.00	\$ 187,441.00	42.04%
MARINA REVENUES	\$ 186,635.00	\$ 85,965.00	\$ 100,670.00	46.06%
TI HOUSING REVENUES	\$ 5,272,491.00	\$ 2,717,832.00	\$ 2,554,659.00	51.55%
YBI HOUSING REVENUES	\$ 768,991.00	\$ 388,441.00	\$ 380,550.00	50.51%
JSCO CAM REVENUES	\$ 339,608.00	\$ 243,877.00	\$ 95,731.00	71.81%
SFFD TRAINING ACADEMY	\$ 1,800,000.00	\$ 900,000.00	\$ 900,000.00	50.00%
COMMUNITY BENEFITS C/F FROM FY 2007-08	\$ 144,000.00	\$ -	\$ 144,000.00	
CARRY FORWARDS FROM FY 2007-2008	\$ 300,000.00	\$ -	\$ 300,000.00	
CARRY FORWARDS FROM FY 2005-2006	\$ 314,000.00		\$ 314,000.00	
TOTAL REVENUES	\$ 11,014,675.00	\$ 5,429,422.00	\$ 5,585,253.00	





TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

Date: 2/11/09

To: Mirian Saez, Director of Island Operations

From: Frishtah Affi, Project Administrator

Re: Navy Vehicle Disposal Project

CC: Treasure Island Development Authority Board

Over the last year, I have been working with the City's Central Shops and the United States Navy's Caretaker Site Office (CSO) to dispose of inoperable Navy vehicles that are no longer in service. These vehicles are at least ten years old, have passed their viable life of operation and are of no economic value. Additionally, they have been vandalized, leak oil and are an eyesore. This action is consistent with Executive Directive 09-01 Reduction of City Fleet Vehicles issued by Mayor Newsom in March 2008. It requires a City Department's immediate action to reduce vehicle fleet in order to save taxpayer funds and reduce the City's impact on the environment. (Attached)

The Navy has agreed to take these vehicles back and pay for their transportation off the Island, provided that TIDA drain all the fluids from them. These fluids include: motor oil, transmission fluid, engine coolant, brake fluid, axle gear oil, power steering fluid and gas. In late December 2008, the City's Central Shops sent a team of technicians to Treasure Island who staged the vehicles at the Hobby Shop and set up a working station to drain the vehicles.

Further, this vehicle disposal process allowed TIDA to account for every vehicle, thus updating the inventory of all the Navy vehicles that have been distributed to various City departments since the Base closed in 1997. I am currently working with Central Shops to develop a list of former Navy vehicles that remain in service in the City's fleet.

As of now a total of 79 vehicles have been drained. I am attaching the list of these vehicles with my memo. This list was submitted by the Treasure Island Project Office to the United States Navy on January 30, 2009. The letter requested that these vehicles be documented and removed from the Navy's Personal Property inventory list of vehicles.

BUDGET CONSIDERATIONS

The cost of the drainage for these vehicles will be handled through a Work Order to Central Shops. TIDA's FY 08-09 Budget allocated \$3,000 for Central Shop services. The drainage cost of most of these former Navy vehicles with City seals and numbers will be billed to the appropriate City user department. The cost of unmarked Navy vehicles will be shared between the TI Project Office and Central Shops. Approximate cost for the project to TIDA is about \$18,000 based on an estimate from Central Shops. The Navy has agreed to pay for all cost associated with removing and transporting the vehicles from the Island.

FUTURE ACTION

The final phase of the project is coordinating the vehicle transportation and pick up with the United States Navy's Defense Reutilization and Marketing Services. Staff anticipates that all the vehicles will be removed by February 28, 2009.



Executive Directive 09-01
Reduction of City Fleet Vehicles
January 12, 2009

Vehicles owned and operated by the City and County enable city employees to complete important work on a daily basis. At the same time, these vehicles cost scarce city funds to purchase and operate, increase greenhouse gases emitted locally, and compound auto congestion in our city. For these reasons, we must redouble our efforts to use our local government's vehicle fleet as efficiently as possible. Doing so will allow us to save taxpayer funds and reduce our government's impact on the environment.

On March 26, 2008, I issued an Executive Directive instructing the City Administrator to implement a five percent reduction in the City's non-emergency, general purpose vehicles in Fiscal Year 2008-09. In June of 2008, we initiated a third party independent analysis of our light duty passenger fleet to help the City Administrator and departments understand how to meet this target. This analysis focused on ways to reduce the number of 1,369 light-duty non-emergency vehicles in our city fleet and use our vehicles more efficiently and innovatively. This analysis has recently been completed.

This Executive Directive instructs departments to take several immediate actions to reduce and reform our vehicle fleet City's Fleet:

1. Immediately eliminate 103 city vehicles identified as not fully utilized by the recent independent analysis. The Office of the City Administrator will contact departments directly to identify vehicles that have been identified for elimination and to explain the process to turn in and retire these vehicles.
2. Reassign 46 vehicles to GSA-Fleet Management for pooled usage across multiple departments. Half of these vehicles that will be reassigned are identified for elimination over the next three years. The Office of the City Administrator will contact departments directly to identify vehicles that have been identified for reassignment.
3. Prepare for the elimination of up to 115 additional vehicles that can be retired once carsharing services have been secured for the Civic Center and South of Market areas. Use of carsharing vehicles by departments will allow multiple city departments to use each car and result in more efficient vehicle utilization. The General Services Agency is expected to finalize contracts for carsharing services for city departments in the Civic Center by next month (February 2009).
4. Justify take home usage of every departmental vehicle that is currently driven home by city employees at night. The Office of the City Administrator will provide to departments specific instructions about how to justify take home usage. Departments must verify that vehicles are driven home at night for only absolutely necessary purposes.

5. Comply with the next phase of the independent fleet management audit, managed by the Fleet Management Division of the General Services Agency, that will focus on heavy duty vehicles owned and operated by all City Departments.
6. Comply with a budget freeze on new vehicles. I have asked my budget office to freeze all new non-replacement vehicle purchases for the current budget year (FY 20008/09) as well as the upcoming budget year (FY 2009-10). Exemptions must be provided by the Mayor's Budget Director.

My budget office is working with the General Services Agency to reflect the annual budget savings from these actions. For questions concerning this Executive Directive and its implementation, please contact Wade Crowfoot in my office (554-6640) or City Administrator Edwin Lee (554-4852).

A handwritten signature in black ink, appearing to read 'Gavin Newsom', with a horizontal line extending to the right.

Gavin Newsom
MAYOR

Paint #	GSA License	Veh #	drained	Year	Make	Model	Vin
1	94-41262	417G602	15-Jan	1990	Dodge	Ram350	2B7KB31ZXLK738523
2	93-24531	417G520	1/15/2009	1988	Dodge	Ram250	2B4HB25Y7KK313245
3			1/16/2009		Water pump		68378000357
4	94-41146	173G521	1/15/2009	1990	Dodge	D150	1B7GE16XL5684185
5	94-39605	417G508	1/15/2009	1990	Dodge	D150	1B7GE16XL5681143
6	94-41852	417G523	1/14/2009	1990	Ford	Ranger	1FTCR10A2LUA81551
7	94-30185	417G506	1/14/2009	1988	Chevrolet	Astro Van	1GCCM15E4J8216225
8	95-25743	417G603	1/16/2009	1985	GMC	5000	1GTE5D1A1FV515350
9	94-24046		1/14/2009		Chevrolet		1GCF24LXGJ133239
10	94-36831	417G501	1/13/2009	1988	Chevrolet	S10	1GCBS14E3J8222338
11	94-33072	417G601	1/13/2009	1987	Ford	F350	2FTJW3511HCA89345
12	93-23808		1/13/2009		Chevrolet	Astro Van	1GNCM1523HB120288
13	93-23796	151G302	1/12/2009	1986	Chevrolet	Astro Van	1GNCM153HB119702
14	95-25984		1/16/2009	1985	International	S1600	1HTLAHEK6GHA17342
15	96-39619		1/15/2009		International	S1600	1HTLAHE11FHA25808
16	94-32746		1/12/2009		Chevrolet	S10	1GC0S14E4J8142062
17	94-21108		1/13/2009		Chevrolet	Custom Delux 20	1GCCE24L5FJ118948
18	94-24042	417G515	1/13/2009		Chevrolet	Custom Delux 20	1GCCE24L6GJ113497
19	95-26230	417G608 ?	1/14/2009		International	S1600	1HTLAHEK0GHA18745
20	96-42629		1/21/2009		GMC	6500	G038056
21	95-27282		1/16/2009	1987	International	S1600	1HTLAZPM7JH549594
22	73-02242		1/20/2009		GMC	8500	HM80A-D106282
23	95-27550		1/14/2009		GMC	6000	1GTG6D1F3J508409
24	94-36819		1/12/2009		Chevrolet	S10	1GCBS14E4J8221330
25	94-34684		1/12/2009		Chevrolet	S10	1GCCT14U0J5177663
26	93-28785	417G507	1/12/2009	1990	Ford	Aerostar	1FMCA11U0LZB55693
27	94-36469	745200	1/12/2009	1988	Dodge	D150	1B7F16X1K50161141
28	94-36810	426415 ?	1/20/2009		Chevrolet	S10	1GC851AE7J220673
30	94-37404		1/23/2009	1988	Chevrolet		1GCGR23J2J135464
31	94-23344		1/26/2009	1985	Chevrolet		1GBGC2479FJ125102
32	96-40024		1/26/2009	1985	GMC	Brigadier	1GTV9CAZ3G6V513858
33			1/22/2009		Amida	Lighting Trailer	USGOV68378001121
34	94-38531	426USN231	1/21/2009	1988	Dodge	Ram D150	1B7F16X0K5020763
35	94-32054	426USN230	1/21/2009	1988	Chevrolet	Cheyenne	1GCDC14Z5J2218280
36			1/23/2009		Welder	Trailer	TI MINOR 008416
37	91-01509		1/22/2009		Generator	Trailer	USGOV 68378001036
38	09-52640 ?		1/22/2009		Water Pump	Trailer	USGOV 68378000005
39	CA F-407415		1/22/2009		Boat 23'	No Motor - Outboard	CF1244XF
40	97-37251		1/22/2009		McLellan	Horse Trailer	A304666538701
41	94-21110	426234 ?	1/26/2009	1984	Chevrolet		1GCCE21L2FJ118955
42	94-24031		1/21/2009	1984	Chevrolet		1GBGC24M7FJ126250
43	57-04766		1/29/2009	1987	Ford	F700	1FDNK74N7GVA60901
44	96-40018		1/26/2009	1985	International	S1900	1HTLMJR4GHA15615
45	94-36535		1/20/2009	1988	Dodge	D150	1B7F16X2K8020764
46	94-21917		1/23/2009	1985	Dodge	D150	1B7HD14H5FS722283
47	94-22742		1/23/2009	1985	Dodge	Ram	B7HB23H7FK270263
48			1/22/2009		Amida	Lighting Trailer	USGOV 68378001066
49			1/27/2009		Delta/Rockwell	Table Saw	
50			1/27/2009		Delta/Rockwell	Planer	
51			1/27/2009		Delta/Rockwell	Radial Arm Saw	2641-B
52	13-20460		1/26/2009		Mercury	Mod 400SB2 Forklift	DRMO Alameda
53	PWC Minor M060866		1/27/2009		Battery Charger	Gov 228USN019515	
54	31-07230		1/22/2009		Sullair	Diesel Compressor	498577
55	54-07961	426713	1/29/2009	1991	Ford	L8000 Sewer Vacuum	1FDZWB2AXMVA23171
56	94-32749	757G500	1/20/2009	1988	Chevrolet	S10	1GCBS14E9J8142140
57			1/23/2009		Tennant	385 Small Sweeper	
58	94-33036	417G600	1/16/2009		Ford	F350	2FTJW35L9HCA89319
59	95-25741	151G603	1/16/2009		GMC	5000	1GTE5D1A1FV515346
60	94-37707	417G514	1/13/2009	1988	Chevrolet	2500	1GCF24H7J2291946
61	92-26020	151G001	1/14/2009	1990	Ford	Tempo	1FAPP36X6LK145011
62	73-02695	145N503	1/27/2009	1982	Ward	RWLTLD-100	N-1056
63	93-23785	145N400	1/21/2009		Chevrolet	Astro Van	1GNCM1521HB119911
64	94-42347	145N703	1/27/2009	1990	Ford	E350	1F0KE30M2MHA07565
65	94-38647	417G511	1/15/2009	1988	Chevrolet	3500	1GBCC34JXJE201374
66	92-25589	151G002	1/20/2009	1988	Plymouth	Reliant	1P3BP46D7JF246239
67	94-41922	417G522	1/20/2009	1990	Ford	Ranger	1FTCR10A8LUA81621
68	73-02533	145N504	1/28/2009				
69	94-48442	145N701	1/29/2009	1992	Ford	E350	
70		145N899	1/28/2009		18" Hull		
71		145N999	1/28/2009		18" Hull trailer		
72		145N	1/27/2009		Zodiac		
73		145N	1/27/2009		Zodiac Trailer		
74	93-25817	151G502	1/29/2009	1990	Ford	Aerostar	1FMCA11U9L2A50103
75	94-31187	417G519	1/28/2009	1988	Chevy	2500	2B411B25Y7KK313245
76		158G515	1/28/2009	1990	Ford	Ranger	1FTCR10A2LUA81498
77	94-31180	151G503	1/21/2009	1988	Chevy	Utility	1FCF24H3J2239195
78	93-24537	151G304	1/23/2009	1988	Dodge	Van	2B4H325Y4KK312425
79			1/23/2009		Trailer with	Diesel Fuel Tank	



**Treasure Island Development Authority
Subleases and Permits Executed
Pursuant To Leasing Policy
As of February 11, 2009**

Location / Facility	Agreement Number	Leasehold Status (new / expired)	Company Name / Prospective Subtenant	Commencement Date	Leasehold Type	Sq. Ft.	Monthly Rent	Comments
Building 62	22	Renewal	Walter Wong	12/1/07	shed	5,000	\$2,060.00	Executed
Buildings 33a and 33b	24	Renewal	Boys and Girls Club of San Francisco	12/1/07	School complex	7,575	\$587.00	Executed
Building 3	36	New	SF Film	1/1/09	Film	100,000	\$10,000	Executed
Building 258 & land	50	New	SF Fog Rugby Football Club	6/1/08	Athletic Fields	269,150	Waived	Executed
Guard-shack	52	Renewal	Bay Area Quality Management District Eric Stevenson	12/1/07	Roof area	10	\$300.00	Executed
TI School 33D	63	New	SF Sheriff's Department Five Keys Charter School Steve Good 415-734-3311	10/1/08	Training / school facility	3,960	\$396.00	Executed
Building 1 Lobby, Casa, Library, Chapel	98	New	Joint Venture	12/1/08	Special Events	NA	NA	Executed
Building 1 Suite B	106	New	NATIONAL JAPANESE AMERICAN HISTORICAL SOCIETY	1/15/09	Storage	700	\$525.00	Executed
Building 502	31	Renewal	Kidango	12/1/07	Childcare facility	PA 10,123 PB 33,977	\$630.00	Executed
Building 180 North	P-129	New	Greater Bay Area Make-a-Wish Foundation	2/4/09	8 th Annual Wine and	NA	\$10,800	Executed

Building 180 parking lot, Clipper Cove	P-125	New	Leukemia and Lymphoma Society – Team in Training	1/25/09	Wishes Fundraiser Team in Training practice triathlon	NA	Waived	Executed
Building 3 Parking Lot	P-120	New	Renegades Association of California	2/7/2009	Drum and Bugle Corps practice	NA	\$150.00	Executed
YBI Quarters 10, 62, 240	P-110	New	Oakland Police Department	2/1/2009 – 10/31/2009	Department tactical training	NA	Waived	Executed





The
JOHN STEWART COMPANY

1388 SUTTER STREET, 11TH FLOOR
SAN FRANCISCO, CA 94109-5427

415.345.4400
FAX 614.9175
WWW.JSCO.NET

MEMORANDUM

To: Mirian Saez, Director of Operations
Treasure Island Development Authority
City of San Francisco
410 Palm Avenue
Building 1, 2nd Floor
Treasure Island,
San Francisco, CA 94130

cc: Marc McDonald, TIDA
John Stewart, JSCo
Paula Schlunegger, JSCo

Gary Griffin, Edison Capital
Loren Sarborn, JSCo
Lynny Lee, JSCo

Ned York, JSCo
Connie Le, JSCo
Jack Gardner, JSCo

From: Michael Smith-Heimer

Date: January 20, 2009

RE: **Percentage Rent for Treasure Island Housing Project Sublease for December 2008**

Enclosed is our payment of Percentage Rent in the amount of \$540,271.04 per the sublease agreement. Please note that this figure includes a reimbursement of 13,071.04 credit for Playground construction expenses for the period. Thus, the total Percentage Rent for December was calculated at \$527,200. This figure is based on the accompanying attachments. You should note that these expenses include funding reserves as outlined in the sublease requirements including accrued the funds to pay Possessory Interest charges of the property.

Calculation of Funds Available for Distribution

TIDA receives 95% revenues remaining after adjusting gross revenues by operating expenses, current accretion due and the repayment of ledger balances based on sublease specifications. Funds expended for replacement reserve eligible items are expensed in the period expenses are recognized. To the degree that these costs are reimbursed from the replacement reserve account, percentage rent will be adjusted in the period that the reserve draw is approved.

For the month of December, Actual Total Revenues were above Budgeted Total Revenues by about 1.9% while Actual Total Operating Expenses were below Budgeted Total Operating Expenses by about 1.15% (due to lower administrative and tax/insurance expenses more than offsetting higher O & M costs during the month). The result was that Funds Available for Distribution were about 5.3% above budget.

Calculation of Percentage Rent

Based on operations, a total of 527,200 in adjusted Gross Revenues after costs of operations are available for distribution for the December Period. These revenues are distributed as follows:

<u>December 2008 Distributions</u>	<u>Actual</u>	<u>Budgeted</u>
Available for Distribution	\$ 554,947	526,909
Percentage rent for TIDA	\$ 527,200	500,564
Percentage rent reimbursed to JSCo		
For Playground Construction	-13,071.04	
Total percentage Rent to TIDA	540,271.04	500,564
Percentage rent for JSCo	27,747	26,345

This percentage rent breakdown reflects the current year split by TIDA/JSCo. Beginning in April 2005 disbursements, TIDA receives 95% of revenues after expenses, while the John Stewart Company percentage is 5% of the amount.

attachment

CORPORATE OFFICE
San Francisco

REGIONAL OFFICE
Sacramento

REGIONAL OFFICE
South Bay

REGIONAL OFFICE
Los Angeles

REGIONAL OFFICE
San Diego



ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS

Draw 107	Draw 108	Draw 109	Draw 110	Draw 111	Draw 112	Draw 113	Draw 114	Draw 115	Draw 116	Draw 117	Draw 118	Draw 119	316 Annual Expenses	December 2008	End of Year 2008 Adjusted
Units ready for occupancy (at beginning of month)															
Units ready for occupancy (at beginning of month)															
Aggregate Units Leased and Occupied during month															
Average Units Leased															
REVENUE FROM OPERATIONS															
6500 Operating and Maintenance	1,440,301	1,250,143	1,162,389	1,149,571	1,155,893	1,154,440	1,129,984	1,149,394	1,139,334	1,140,221	1,141,425	1,143,656	13,796,455	13,796,455	0
6510 Rent	12,110	283	306,369	40,038	-56,512	-30,599	-28,782	-38,270	-38,369	-32,182	-35,774	-31,107	-48,365	-48,365	0
6511 Security	12,110	283	306,369	40,038	-56,512	-30,599	-28,782	-38,270	-38,369	-32,182	-35,774	-31,107	-48,365	-48,365	0
6512 Insurance	8,111	8,111	8,111	8,111	8,111	8,111	8,111	8,111	8,111	8,111	8,111	8,111	8,111	8,111	0
6513 Office Supplies	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6514 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6515 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6516 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6517 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6518 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6519 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6520 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6521 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6522 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6523 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6524 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6525 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6526 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6527 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6528 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6529 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6530 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6531 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6532 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6533 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6534 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6535 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6536 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6537 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6538 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6539 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6540 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6541 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6542 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6543 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6544 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6545 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6546 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6547 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6548 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6549 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6550 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6551 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6552 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6553 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6554 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6555 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6556 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6557 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6558 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6559 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6560 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6561 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6562 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	0
6563 Office Salaries	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	1,102,226	

Draw	Draw 167	Draw 103	Draw 109	Draw 110	Draw 111	Draw 112	Draw 113	Draw 114	Draw 115	Draw 116	Draw 117	Draw 118	Draw 119	Draw 120	Draw 121	Draw 122	Draw 123	Draw 124	Draw 125	Draw 126	Draw 127	Draw 128	Draw 129	Draw 130	Draw 131	Draw 132	Draw 133	Draw 134	Draw 135	Draw 136	Draw 137	Draw 138	Draw 139	Draw 140	Draw 141	Draw 142	Draw 143	Draw 144	Draw 145	Draw 146	Draw 147	Draw 148	Draw 149	Draw 150	Draw 151	Draw 152	Draw 153	Draw 154	Draw 155	Draw 156	Draw 157	Draw 158	Draw 159	Draw 160	Draw 161	Draw 162	Draw 163	Draw 164	Draw 165	Draw 166	Draw 167	Draw 168	Draw 169	Draw 170	Draw 171	Draw 172	Draw 173	Draw 174	Draw 175	Draw 176	Draw 177	Draw 178	Draw 179	Draw 180	Draw 181	Draw 182	Draw 183	Draw 184	Draw 185	Draw 186	Draw 187	Draw 188	Draw 189	Draw 190	Draw 191	Draw 192	Draw 193	Draw 194	Draw 195	Draw 196	Draw 197	Draw 198	Draw 199	Draw 200	Draw 201	Draw 202	Draw 203	Draw 204	Draw 205	Draw 206	Draw 207	Draw 208	Draw 209	Draw 210	Draw 211	Draw 212	Draw 213	Draw 214	Draw 215	Draw 216	Draw 217	Draw 218	Draw 219	Draw 220	Draw 221	Draw 222	Draw 223	Draw 224	Draw 225	Draw 226	Draw 227	Draw 228	Draw 229	Draw 230	Draw 231	Draw 232	Draw 233	Draw 234	Draw 235	Draw 236	Draw 237	Draw 238	Draw 239	Draw 240	Draw 241	Draw 242	Draw 243	Draw 244	Draw 245	Draw 246	Draw 247	Draw 248	Draw 249	Draw 250	Draw 251	Draw 252	Draw 253	Draw 254	Draw 255	Draw 256	Draw 257	Draw 258	Draw 259	Draw 260	Draw 261	Draw 262	Draw 263	Draw 264	Draw 265	Draw 266	Draw 267	Draw 268	Draw 269	Draw 270	Draw 271	Draw 272	Draw 273	Draw 274	Draw 275	Draw 276	Draw 277	Draw 278	Draw 279	Draw 280	Draw 281	Draw 282	Draw 283	Draw 284	Draw 285	Draw 286	Draw 287	Draw 288	Draw 289	Draw 290	Draw 291	Draw 292	Draw 293	Draw 294	Draw 295	Draw 296	Draw 297	Draw 298	Draw 299	Draw 300	Draw 301	Draw 302	Draw 303	Draw 304	Draw 305	Draw 306	Draw 307	Draw 308	Draw 309	Draw 310	Draw 311	Draw 312	Draw 313	Draw 314	Draw 315	Draw 316	Draw 317	Draw 318	Draw 319	Draw 320	Draw 321	Draw 322	Draw 323	Draw 324	Draw 325	Draw 326	Draw 327	Draw 328	Draw 329	Draw 330	Draw 331	Draw 332	Draw 333	Draw 334	Draw 335	Draw 336	Draw 337	Draw 338	Draw 339	Draw 340	Draw 341	Draw 342	Draw 343	Draw 344	Draw 345	Draw 346	Draw 347	Draw 348	Draw 349	Draw 350	Draw 351	Draw 352	Draw 353	Draw 354	Draw 355	Draw 356	Draw 357	Draw 358	Draw 359	Draw 360	Draw 361	Draw 362	Draw 363	Draw 364	Draw 365	Draw 366	Draw 367	Draw 368	Draw 369	Draw 370	Draw 371	Draw 372	Draw 373	Draw 374	Draw 375	Draw 376	Draw 377	Draw 378	Draw 379	Draw 380	Draw 381	Draw 382	Draw 383	Draw 384	Draw 385	Draw 386	Draw 387	Draw 388	Draw 389	Draw 390	Draw 391	Draw 392	Draw 393	Draw 394	Draw 395	Draw 396	Draw 397	Draw 398	Draw 399	Draw 400	Draw 401	Draw 402	Draw 403	Draw 404	Draw 405	Draw 406	Draw 407	Draw 408	Draw 409	Draw 410	Draw 411	Draw 412	Draw 413	Draw 414	Draw 415	Draw 416	Draw 417	Draw 418	Draw 419	Draw 420	Draw 421	Draw 422	Draw 423	Draw 424	Draw 425	Draw 426	Draw 427	Draw 428	Draw 429	Draw 430	Draw 431	Draw 432	Draw 433	Draw 434	Draw 435	Draw 436	Draw 437	Draw 438	Draw 439	Draw 440	Draw 441	Draw 442	Draw 443	Draw 444	Draw 445	Draw 446	Draw 447	Draw 448	Draw 449	Draw 450	Draw 451	Draw 452	Draw 453	Draw 454	Draw 455	Draw 456	Draw 457	Draw 458	Draw 459	Draw 460	Draw 461	Draw 462	Draw 463	Draw 464	Draw 465	Draw 466	Draw 467	Draw 468	Draw 469	Draw 470	Draw 471	Draw 472	Draw 473	Draw 474	Draw 475	Draw 476	Draw 477	Draw 478	Draw 479	Draw 480	Draw 481	Draw 482	Draw 483	Draw 484	Draw 485	Draw 486	Draw 487	Draw 488	Draw 489	Draw 490	Draw 491	Draw 492	Draw 493	Draw 494	Draw 495	Draw 496	Draw 497	Draw 498	Draw 499	Draw 500	Draw 501	Draw 502	Draw 503	Draw 504	Draw 505	Draw 506	Draw 507	Draw 508	Draw 509	Draw 510	Draw 511	Draw 512	Draw 513	Draw 514	Draw 515	Draw 516	Draw 517	Draw 518	Draw 519	Draw 520	Draw 521	Draw 522	Draw 523	Draw 524	Draw 525	Draw 526	Draw 527	Draw 528	Draw 529	Draw 530	Draw 531	Draw 532	Draw 533	Draw 534	Draw 535	Draw 536	Draw 537	Draw 538	Draw 539	Draw 540	Draw 541	Draw 542	Draw 543	Draw 544	Draw 545	Draw 546	Draw 547	Draw 548	Draw 549	Draw 550	Draw 551	Draw 552	Draw 553	Draw 554	Draw 555	Draw 556	Draw 557	Draw 558	Draw 559	Draw 560	Draw 561	Draw 562	Draw 563	Draw 564	Draw 565	Draw 566	Draw 567	Draw 568	Draw 569	Draw 570	Draw 571	Draw 572	Draw 573	Draw 574	Draw 575	Draw 576	Draw 577	Draw 578	Draw 579	Draw 580	Draw 581	Draw 582	Draw 583	Draw 584	Draw 585	Draw 586	Draw 587	Draw 588	Draw 589	Draw 590	Draw 591	Draw 592	Draw 593	Draw 594	Draw 595	Draw 596	Draw 597	Draw 598	Draw 599	Draw 600	Draw 601	Draw 602	Draw 603	Draw 604	Draw 605	Draw 606	Draw 607	Draw 608	Draw 609	Draw 610	Draw 611	Draw 612	Draw 613	Draw 614	Draw 615	Draw 616	Draw 617	Draw 618	Draw 619	Draw 620	Draw 621	Draw 622	Draw 623	Draw 624	Draw 625	Draw 626	Draw 627	Draw 628	Draw 629	Draw 630	Draw 631	Draw 632	Draw 633	Draw 634	Draw 635	Draw 636	Draw 637	Draw 638	Draw 639	Draw 640	Draw 641	Draw 642	Draw 643	Draw 644	Draw 645	Draw 646	Draw 647	Draw 648	Draw 649	Draw 650	Draw 651	Draw 652	Draw 653	Draw 654	Draw 655	Draw 656	Draw 657	Draw 658	Draw 659	Draw 660	Draw 661	Draw 662	Draw 663	Draw 664	Draw 665	Draw 666	Draw 667	Draw 668	Draw 669	Draw 670	Draw 671	Draw 672	Draw 673	Draw 674	Draw 675	Draw 676	Draw 677	Draw 678	Draw 679	Draw 680	Draw 681	Draw 682	Draw 683	Draw 684	Draw 685	Draw 686	Draw 687	Draw 688	Draw 689	Draw 690	Draw 691	Draw 692	Draw 693	Draw 694	Draw 695	Draw 696	Draw 697	Draw 698	Draw 699	Draw 700	Draw 701	Draw 702	Draw 703	Draw 704	Draw 705	Draw 706	Draw 707	Draw 708	Draw 709	Draw 710	Draw 711	Draw 712	Draw 713	Draw 714	Draw 715	Draw 716	Draw 717	Draw 718	Draw 719	Draw 720	Draw 721	Draw 722	Draw 723	Draw 724	Draw 725	Draw 726	Draw 727	Draw 728	Draw 729	Draw 730	Draw 731	Draw 732	Draw 733	Draw 734	Draw 735	Draw 736	Draw 737	Draw 738	Draw 739	Draw 740	Draw 741	Draw 742	Draw 743	Draw 744	Draw 745	Draw 746	Draw 747	Draw 748	Draw 749	Draw 750	Draw 751	Draw 752	Draw 753	Draw 754	Draw 755	Draw 756	Draw 757	Draw 758	Draw 759	Draw 760	Draw 761	Draw 762	Draw 763	Draw 764	Draw 765	Draw 766	Draw 767	Draw 768	Draw 769	Draw 770	Draw 771	Draw 772	Draw 773	Draw 774	Draw 775	Draw 776	Draw 777	Draw 778	Draw 779	Draw 780	Draw 781	Draw 782	Draw 783	Draw 784	Draw 785	Draw 786	Draw 787	Draw 788	Draw 789	Draw 790	Draw 791	Draw 792	Draw 793	Draw 794	Draw 795	Draw 796	Draw 797	Draw 798	Draw 799	Draw 800	Draw 801	Draw 802	Draw 803	Draw 804	Draw 805	Draw 806	Draw 807	Draw 808	Draw 809	Draw 810	Draw 811	Draw 812	Draw 813	Draw 814	Draw 815	Draw 816	Draw 817	Draw 818	Draw 819	Draw 820	Draw 821	Draw 822	Draw 823	Draw 824	Draw 825	Draw 826	Draw 827	Draw 828	Draw 829	Draw 830	Draw 831	Draw 832	Draw 833	Draw 834	Draw 835	Draw 836	Draw 837	Draw 838	Draw 839	Draw 840	Draw 841	Draw 842	Draw 843	Draw 844	Draw 845	Draw 846	Draw 847	Draw 848	Draw 849	Draw 850	Draw 851	Draw 852	Draw 853	Draw 854	Draw 855	Draw 856	Draw 857	Draw 858	Draw 859	Draw 860	Draw 861	Draw 862	Draw 863	Draw 864	Draw 865	Draw 866	Draw 867	Draw 868	Draw 869	Draw 870	Draw 871	Draw 872	Draw 873	Draw 874	Draw 875	Draw 876	Draw 877	Draw 878	Draw 879	Draw 880	Draw 881	Draw 882	Draw 883	Draw 884	Draw 885	Draw 886	Draw 887	Draw 888	Draw 889	Draw 890	Draw 891	Draw 892	Draw 893	Draw 894	Draw 895	Draw 896	Draw 897	Draw 898	Draw 899	Draw 900	Draw 901	Draw 902	Draw 903	Draw 904	Draw 905	Draw 906	Draw 907	Draw 908	Draw 909	Draw 910	Draw 911	Draw 912	Draw 913	Draw 914	Draw 915	Draw 916	Draw 917	Draw 918	Draw 919	Draw 920	Draw 921	Draw 922	Draw 923	Draw 924	Draw 925	Draw 926	Draw 927	Draw 928	Draw 929	Draw 930	Draw 931	Draw 932	Draw 933	Draw 934	Draw 935	Draw 936	Draw 937	Draw 938	Draw 939	Draw 940	Draw 941	Draw 942	Draw 943	Draw 944	Draw 945	Draw 946	Draw 947	Draw 948	Draw 949	Draw 950	Draw 951	Draw 952	Draw 953	Draw 954	Draw 955	Draw 956	Draw 957	Draw 958	Draw 959	Draw 960	Draw 961	Draw 962	Draw 963	Draw 964	Draw 965	Draw 966	Draw 967	Draw 968	Draw 969	Draw 970	Draw 971	Draw 972	Draw 973	Draw 974	Draw 975	Draw 976	Draw 977	Draw 978	Draw 979	Draw 980	Draw 981	Draw 982	Draw 983	Draw 984	Draw 985	Draw 986	Draw 987	Draw 988	Draw 989	Draw 990	Draw 991	Draw 992	Draw 993	Draw 994	Draw 995	Draw 996	Draw 997	Draw 998	Draw 999	Draw 1000	Draw 1001	Draw 1002	Draw 1003	Draw 1004	Draw 1005	Draw 1006	Draw 1007	Draw 1008	Draw 1009	Draw 1010	Draw 1011	Draw 1012	Draw 1013	Draw 1014	Draw 1015	Draw 1016	Draw 1017	Draw 1018	Draw 1019	Draw 1020	Draw 1021	Draw 1022	Draw 1023	Draw 1024	Draw 1025	Draw 1026	Draw 1027	Draw 1028	Draw 1029	Draw 1030	Draw 1031	Draw 1032	Draw 1033	Draw 1034	Draw 1035	Draw 1036	Draw 1037	Draw 1038	Draw 1039	Draw 1040	Draw 1041	Draw 1042	Draw 1043	Draw 1044	Draw 1045	Draw 1046	Draw 1047	Draw 1048	Draw 1049	Draw 1050	Draw 1051	Draw 1052	Draw 1053	Draw 1054	Draw 1055	Draw 1056	Draw 1057	Draw 1058	Draw 1059	Draw 1060	Draw 1061	Draw 1062	Draw 1063	Draw 1064	Draw 1065	Draw 1066	Draw 1067	Draw 1068	Draw 1069	Draw 1070	Draw 1071	Draw 1072	Draw 1073	Draw 1074	Draw 1075	Draw 1076	Draw 1077	Draw 1078	Draw 1079	Draw 1080	Draw 1081	Draw 1082	Draw 1083	Draw 1084	Draw 1085	Draw 1086	Draw 1087	Draw 1088	Draw 1089	Draw 1090	Draw 1091	Draw 1092	Draw 1093	Draw 1094	Draw 1095	Draw 1096	Draw 1097	Draw 1098	Draw 1099	Draw 1100	Draw 1101	Draw 1102	Draw 1103	Draw 1104	Draw 1105	Draw 1106	Draw 1107	Draw 1108	Draw 1109	Draw 1110	Draw 1111	Draw 1112	Draw 1113	Draw 1114	Draw 1115	Draw 1116	Draw 1117	Draw 1118	Draw 1119	Draw 1120	Draw 1121	Draw 1122	Draw 1123	Draw 1124	Draw 1125	Draw 1126	Draw 1127	Draw 1128	Draw 1129	Draw 1130	Draw 1131	Draw 1132	Draw 1133	Draw 1134	Draw 1135	Draw 1136	Draw 1137	Draw 1138	Draw 1139	Draw 1140	Draw 1141	Draw 1142	Draw 1143	Draw 1144	Draw 1145	Draw 1146	Draw 1147	Draw 1148	Draw 1149	Draw 1150	Draw 1151	Draw 1152	Draw 1153	Draw 1154	Draw 1155	Draw 1156	Draw 1157	Draw 1158	Draw 1159	Draw 1160	Draw 1161	Draw 1162	Draw 1163	Draw 1164	Draw 1165	Draw 1166	Draw 1167	Draw 1168	Draw 1169	Draw 1170	Draw 1171	Draw 1172	Draw 1173	Draw 1174	Draw 1175	Draw 1176	Draw 1177	Draw 1178	Draw 1179	Draw 1180	Draw 1181	Draw 1182	Draw 1183	Draw 1184	Draw 1185	Draw 1186	Draw 1187	Draw 1188	Draw 1189	Draw 1190	Draw 1191	Draw 1192	Draw 1193	Draw 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December 2008 Operations for Treasure Island Project

[illegible]

COMPARISON TO BUDGET December 2008

	December			YEAR TO DATE		
	Actual	Budget	Variance	% Variance	Actual	Budget
Total Revenue	1,127,226	1,105,869	21,357	1.93%	13,469,451	13,270,428
Marketing	5,873	8,454	(2,581)	-30.53%	86,289	101,448
Administrative	78,322	91,682	(13,360)	-14.57%	922,962	1,100,184
Utilities	147,186	145,085	2,091	1.44%	1,765,436	1,741,140
O&M	162,699	144,056	18,633	12.93%	1,691,658	1,728,672
Tax Ins (Inc. Insurance expense and 401k)	59,745	66,092	(6,347)	-9.60%	885,743	793,104
Rent	46,230	45,521	709	1.56%	550,814	546,252
Reserves	11,560	11,560	-	0.00%	138,720	138,720
Replacement (excl. anticipated draw)	60,673	66,500	(5,827)	-8.76%	692,587	798,000
Total Expenses	572,278	578,960	(6,682)	-1.15%	6,794,210	6,947,520
Prior Period Adjustments					(105,413)	(213,310)
Available for Distribution	554,947	526,909	28,038	5.32%	6,863,895	6,322,908
Available for Distribution	554,947	526,909	28,038	5.32%	6,863,895	6,322,908
TIDA	527,200	500,564	26,636	5.32%	6,520,691	6,006,763
JSCo	27,747	26,345	1,401	5.32%	343,194	316,145
					540,977	513,929
					27,049	27,049
					8.56%	8.56%
					8.56%	8.56%

Mike Smith-Heimer

From: Lynny Lee
Sent: Wednesday, January 21, 2009 12:09 PM
To: Michael Smith-Heimer JSCO
Subject: FW: % Rent payment to TIDA-Adjustment

Dear Mike,

We need to make adjustment on our Dec08 % rent payment to TIDA. The details are shown as followed:

1. JSCO construction (Playground Project) invoice from July08 included the payment to Sequoia for \$13556.25. Sequoia also received payment from Caltrans by on Oct08 with check #129304.
2. Treasure Island Residence receives two invoices from JSCO construction department. The invoice amount is \$225.68 & \$259.53.

The total additional amount we need to pay to TIDA for adjustment in Dec08 % rent is (13,556.25-225.68-259.53=**13,071.04**)

Please let me know if you have any question.

Lynny Lee

Senior Accountant

The John Stewart Company

1888 Sutter Street, 11th Floor

San Francisco, CA 94109

llee@jSCO.net

Direct: 415-345-4434 Fax: 415-614-9176

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January 30, 2009

Mirian Saez
Treasure Island Development Authority
410 Avenue of the Palms, 2nd Flr.
San Francisco, CA 94130

RE: 2008 at the John Stewart Company

Dear Mirian:

Best wishes and Happy New Year! While you receive letters from me occasionally regarding specific issues like accounting software, employee benefit programs or legislative/legal actions affecting your properties, this letter is intended as a more general update on on-going initiatives at the John Stewart Company (JSCo) and other matters that I hope you will find of interest.

2008 was JSCo's 30th anniversary year, and what a year it was! Despite the downturn in the state and national economies, we took this opportunity to look back on JSCo's founding by John Stewart in 1978 and all that has occurred at our company since then. During the past thirty years, JSCo has grown from a single office with a few thousand units to five offices throughout California (San Francisco, Scotts Valley, Sacramento, Los Angeles and San Diego) and over 30,000 units under management. During these years, we also expanded our services to include (1) property management of supportive housing, mixed-income properties and common interest developments (condominiums), (2) construction management and oversight services, (3) financial and programmatic consulting, and (4) housing development (usually in partnership with community-based nonprofit organizations, often those for which we manage residential properties). Meanwhile we grew from four employees (including John) to over 1,300 employees, including Property Managers, Regional Managers and Directors, accountants, construction and development project managers and all the many specialized positions that support the management of your properties and our other services.

More recent initiatives at JSCo include our creation of Emergency Response Plans for every property (which was very timely, considering both the wildfires that swept through large parts of southern California in early 2008 and the floods that occurred in northern California later that year), the transition to MRI as our main property management and accounting software, the adoption of Microsoft Outlook as our primary communication, scheduling and contact management software, an on-going expansion of staff training programs and the implementation of a 401(k) matching program for all site and corporate employees. All of these efforts (and many others) are designed to make JSCo a more efficient, productive and skillful steward of your properties.

One major effort over the past few years has been improving JSCo's workplace safety through increased training, support programs and rigorous claims management. I am pleased to report that these efforts have begun bearing fruit, as JSCo's workplace accident rate has declined by almost 50% over the past five years and is now 10% below the industry average. This has resulted in on-going reductions in the Workers' Compensation insurance premiums paid by our managed properties, including a 12%

reduction going into 2009 (despite a 13% average increase taking place throughout the rest of the industry). And with on-going effort, we are hopeful that we can deliver additional savings next year.

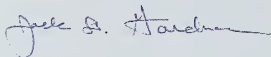
We have also initiated (at no cost to our clients) a new employee health and fitness program called "Healthy Choices." This program includes a wide variety of educational and motivational programs that are intended to improve the general health and fitness of our corporate and site employees, both for its own intrinsic value and in an effort to both improve employee productivity and hold down increases in health insurance costs over the next several years. A major component of this initiative is the "Healthyroads" Coaching Program, which provides on-line and telephone-based health assessments and personalized coaching and educational support for weight loss, smoking cessation, and other dietary and health improvements.

For our San Francisco clients, we have also been implementing several new programs mandated by the San Francisco Board of Supervisors. These include paid sick leave and health insurance (or payments to the City in lieu of health insurance) for part-time employees - we have always provided both for all full-time employees throughout the state - and employee-funded commuter benefits (which we have implemented as a voluntary pre-tax deduction of employee pay for transit costs). Guidance from the City was not always perfectly clear on how these programs were to be implemented, but we have done our best to stay in compliance with all local ordinances and labor requirements at all times.

In a time of great stress for virtually every sector of our local, state and national economies and severe budget issues at every level of government, JSCo is working hard to improve its policies, practices and procedures so that we can manage the properties that you have entrusted to us as efficiently and effectively as possible. We remain absolutely committed to the creation and management of high quality housing developments that serve the interests of our clients, residents and communities alike and appreciate the confidence you have placed in us to take good care of your properties.

We look forward to working with you in 2009 - best wishes and please do not hesitate to contact me or any other JSCo staff person at any time with questions, comments or concerns regarding JSCo and the services it provides.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jack D. Gardner", with a stylized flourish at the end.

Jack D. Gardner
President & CEO

ISLANDS UNITED

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Save the Date!

- Jan 9—Island Watch
- Jan 10—Flounder Street Block Party
- Jan 14—TIDA Board meeting
- Jan 24—Educational Summit
- Jan 27—Seminar: Open up bank accounts
- Feb 4—Seminar: Open up bank accounts
- Feb 5—Opening Night: Black History Month
- Feb 11—TIDA Board meeting
- Feb 13—Island Watch
- Feb 17—Navy RAB Meeting
- Feb 18—Community Meeting
- Feb 27—Retro 70's Dance
- Mar 11—TIDA Board meeting
- Mar 13—Island Watch meeting
- Mar 14—Good Neighbors meeting

Please submit articles for the next newsletter to lorainlee@isico.net in an attachment as a Word document before March 15, 2009

THE BIGGEST LOOSER COMPETITION

Facing the battle of the bulge after the holidays? Want to put a kick in your step? A friendly "Biggest Loser" contest will take place from Monday, January 19th to Monday, March 2nd – that's just 6 short weeks.

The basic idea is this: Everyone interested in this friendly weight loss contest will sign up at the TI YMCA. Each person contributes \$20.00. Each week on Monday, starting 1/19 every participant must show up during regular gym hours (11 am – 9 pm) to be confidentially weighed. The three people who have lost the greatest percentage of their starting weight win!

To get a copy of the rules, call the YMCA at 765-9037 or send an email to Ksedgwick@ymca.org – Put "TIYBI Biggest Loser Competition" in the subject line.

Sponsored by Treasure Island YMCA Gym and Good Neighbors of TI/YBI



Good Neighbors General Membership Meeting

When: Saturday, March 14

Time: 11 am—1 pm

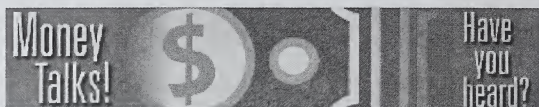
Where: The Shipshape Building

TO RSVP, call 415-520-6653 (Lunch will be provided to those who RSVP)

Agenda Includes:

- Annual report
- Good Neighbors awards
- Board member elections
- A chance to socialize
- More ...

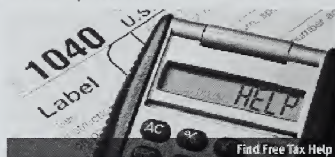
For more information, visit www.treasureislandonline.net or email good_neighbors@comcast.net.



TREASURE ISLAND TAX SITE

**LOOKING FOR TAX PREP VOLUNTEERS
FOR OUR 2009 TAX SEASON**

Learn how to PREPARE YouR OWN TAXES
and also help others PREPARE THEIRS



MANDATORY TRAINING REQUIRED

TAX SITE LOCATION:

SHIP SHAPE BUSINESS ASSISTANCE CENTER

497 AVE I TREASURE ISLAND, SAN FRANCISCO, CA 94130

SITE HOURS WILL BE:

THURSDAYS 12P-8PM & SATURDAYS 10A-12N

**If you're interested in volunteering contact
SHANNON WISE 415-274-0311 Swise@tihdi.org**

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

December 23, 2009

Dear Resident;

For over a year, the Treasure Island Development Authority (TIDA) has been formulating a Parking Policy for both Yerba Buena Island and Treasure Island. This *Newsletter* contains the Final Draft that will be implemented and enforced by all Housing Providers in the first quarter of 2009. I hope you will take the time to review the Policy, ask questions and help us identify possible areas that need fine tuning.

During a spike in residential crimes in the summer of 2007, law enforcement officials and members of the organization Safety Awareness for Everyone (SF Safe) identified the need for residential parking decals as a way to expose perpetrators' vehicles parked in residential areas. After the initial issuance of parking decals, TIDA soon realized there were a number of vehicles parked in the residential areas that did not belong to our residents yet were utilizing premium parking spaces. The implementation of this Policy allows TIDA to remove non residential vehicles and to recapture those spaces for residents.

Please take a minute to read this Parking Policy document. If you have any questions or concerns you may contact Marianne Thompson at (415) 274-0662, or Marianne.Thompson@sfgov.org.

Sincerely,


Mirian Saez
Director of Island Operations

cc: Owen Stephens, President, TIDA Board



TREASURE ISLAND DEVELOPMENT AUTHORITY

DRAFT PARKING PROGRAM POLICY AND GUIDELINES

February 1, 2009

Administrative Statement

In an effort to protect property, enhance public safety, prevent illegal parking and eliminate abandoned vehicles, the Treasure Island Development Authority (TIDA) has adopted a Parking Policy, effective February 1, 2009. Treasure and Yerba Buena Islands are considered subject to the Traffic and Vehicle Code of the City and County. Therefore, procedures described at California Vehicle Code Section 22658 will be applied to enforcement of Parking Program Rules. These Rules and Guidelines are consistent with the terms and conditions described in the leases with residents.

PARKING PROGRAM RULES AND GUIDELINES

- Vehicles of residents and commercial tenants parked on Treasure Island (TI) and Yerba Buena Island (YBI) must display a valid Parking Identification Decal.
- The Parking Identification Decal will be issued either by your property manager or by the Treasure Island Development Authority.
- The John Stewart Company (JSCO) will issue Parking Identification Decals to Treasure Island Villages tenants. The Treasure Island Homeless Development Initiative (TIHDI) will issue Parking Identification Decals to its member organizations for distribution to TIHDI residents.
- Parking Identification Decals for use by our commercial subtenants and service providers will be issued by the TIDA office.
- Any vehicle parked on Treasure Island without the Parking Identification Decal is subject to tow in accordance with California Vehicle Code Section 22658.
- Residential Visitor Parking without the Parking Identification Decal is allowed only in designated visitor spaces for up to 72 hours. Visitor Parking Passes for up to 30 days may be issued by the John Stewart Company, TIHDI member organizations or the Treasure Island Development Authority.
- Residential Visitor Parking spaces in TIHDI units will be monitored by the appropriate housing service provider based on program House Rules.
- Vehicles without a Visitor Decal that are parked in Visitor spaces are subject to citation and tow.
- Parking in or blocking designated Disabled spaces is strictly prohibited.
- Parking of recreational vehicles such as jet skis, boats, trailers and mobile homes are not permitted on Treasure or Yerba Buena Islands. Those wishing to store these types of vehicles should contact the Treasure Island Development Authority office at (415) 274-0660 for a permit to park in designated areas in Building 216.
- Parking areas will be monitored on a regular basis. A Warning Notice may be posted on vehicles illegally parked. Vehicles that are not moved after being warned will be towed.
- All vehicles parked on the Island must be operable. The vehicles must not lack engines, transmissions, wheels, tires, doors, windshields, or any other major part or equipment necessary to operate safely on the roadways. All vehicles must have a valid license plate and current registration.
- Parking in driveways and carports are permitted if vehicle does not block sidewalks prohibiting pedestrians from path of travel.
- Large commercial vehicles such as moving trucks, mini buses and large vans weighing more than 6,000 pounds are prohibited in the residential parking areas with the exception of during move-ins and move-outs.
- All vehicles must be parked in compliance with posted signage.
- Vehicles parked next to a red curb, in a fire-lane or in front of fire hydrants will be towed immediately.
- Parking in a space that has been assigned to another residential unit is prohibited.
- Parking on lawns or landscaped areas is prohibited.
- Performance of mechanical work on vehicles is prohibited.
- Vehicle washing is prohibited on Treasure Island and Yerba Buena Island.
- TIDA is not responsible for any fire, theft, damage or loss to vehicles or items left in vehicles while parked on TI and YBI.
- TIDA may amend these Policies and Guidelines at any time at its sole and absolute discretion.

NERT

NERT (Neighborhood Emergency Response Team Training) is a training program that prepares you to help yourself, your family, and then your neighbors in the event of a disaster. By taking the NERT training, you will have the skills to help emergency responder, save lives and protect property. Team members can respond to disasters, participate in drills and exercises and take additional trainings.

You will benefit from NERT Training by being able to in the event of a disaster:

- **Prepare yourself and your family**
- **Identify and anticipate hazards**
- **Reduce fire hazards in your home and workplace/training place**
- **Extinguish small fires**
- **Assist emergency responders**
- **Conduct light search and rescues**
- **Set up treatment areas**
- **Apply basic medical techniques**
- **Help reduce survivor stress**

Become a member of a Community TEAM!

The Treasure Island Job Corps is to begin the next NERT training on Thursday, January 8, 2009 at the Treasure Island Job Corps. The classes will run six weeks. We will meet every Thursday from 6:30 to 9:30 PM. The first class will be at the TIJCC Gym. We will announce the location of the other classes on Thursday. A new training class will begin (approximately) every six weeks.

ALL OF THESE CLASSES ARE OPEN TO THE PUBLIC! RESIDENTS OF TREASURE ISLAND/YURBA BUENA ARE WELCOMED AND HIGHLY ENCOURAGED!

Class Session 1

Earthquake Awareness, Preparedness, and Hazard Mitigation

Class Session 2

Basic Disaster Skills, Fire Behavior and Utilities Shutoffs

Class Session 3

Disaster Medicine

Class Session 4

Light Search and Rescue

Class Session 5

Team Organization and Management, Terrorism Awareness

Class Session 6

Skills Development and Hands-on Training

SCHEDULE OF EVENTS

- Jan 1—Happy New Year!
- Jan 9—Island Watch Meeting, 7:00 P.M., Ship Shape Building
- Jan 10—Flounder Street Block Party, 10:00 A.M.
- Jan 14—TIDA Board Meeting, 1:30 P.M., City Hall, Rm. 400
- Jan 19—Martin Luther King Jr. Day
- Jan 24—TIHDI's Educational Summit, 11:00 A.M., Ship Shape Building
- Jan 27—Seminar: Open up bank accounts, 6:00 P.M., Ship Shape Building

January 2009

SUN MON TUE WED THU FRI SAT



1 2 3

Rent Due

4 5 6 7 8 9 10
Island Watch Meeting Block Party

11 12 13 14 15 16 17
TIDA Board Meeting

18 19 20 21 22 23 24
Martin Luther King Jr. Day Educational Summit

25 26 27 28 29 30 31
Seminar

SCHEDULE OF EVENTS

- Feb 4—Seminar: Open up bank accounts, 6:00 P.M., Ship Shape Building
- Feb 5—Black History Month, 7:00 P.M., Ship Shape Building
- Feb 11—TIDA Board Meeting, 1:30 P.M., City Hall, Rm. 400
- Feb 13—Island Watch Meeting, 7:00 P.M., Ship Shape Building
- Feb 14—Valentines Day
- Feb 16—Presidents Day
- Feb 17—Navy RAB Meeting, 7:00 P.M., Casa de la Vista
- Feb 18—Community Meeting, 6:30 P.M., Ship Shape Building
- Feb 24—Mardi Gras
- Feb 27—Retro 70's Soul/Funk dance, 9:00 P.M., Ship Shape Building

February 2009

SUN MON TUE WED THU FRI SAT



1 2 3 4 5 6 7
Rent Due Groundhog Day Seminar Black History Month Opening Night

8 9 10 11 12 13 14
TIDA Board Meeting Island Watch Meeting Happy Valentine's Day

15 16 17 18 19 20 21
Navy RAB Meeting Community Meeting

22 23 24 25 26 27 28
Mardi Gras Retro 70's Dance

March 2009

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
Rent Due						
8 Daylight Savings Start	9	10	11 TIDA Board Meeting	12	13 Island Watch Meeting	14 Good Neighbors Meeting
15	16		18	19	20  Spring Begins	21
22	23	24	25	26	27	28
29	30	31				

SCHEDULE OF EVENTS

- Mar 8—Daylight Savings Start
- Mar 11—TIDA Board Meeting, 1:30 P.M., City Hall, Rm. 400
- Mar 13—Island Watch Meeting, 7:00 P.M., Ship Shape Building
- Mar 14—Quarterly General Good Neighbors Meeting, 11 A.M., Ship Shape Building
- Mar 17—St. Patrick's Day

NUMBERS TO REMEMBER

Treasure Island Development Authority

Fax

(415) 274-0660
(415) 274-0299

Treasure Island Homeless Development Initiative

(415) 274-0311

Island Bay Homes / Treasure Island Supportive Housing / Haight Ashbury Free Clinics

(415) 391-2404

Community Housing Partnership

(415) 743-0017

The Villages at Treasure Island

Fax

Emergency After Hours

(415) 834-0211
(415) 834-0210
(415) 445-2184

Fire Department

Emergency

Non-Emergency

911
(415) 558-3248

Police Department

Emergency

Cell phone (Emergency)

Non-Emergency

911
(415) 553-8090
(415) 553-0123

Good Neighbors

(415) 520-6653

Airport Service (Super Shuttle)

(800) 258-3826

Boys & Girls Club of America—Treasure Island

(415) 362-1383

Kidango

(415) 834-0602

Cook's Cafe

(415) 705-1860

MUNI

(415) 673-6864

Taxi Services:

DeSoto—(415) 970-1300

Luxor—(415) 282-4141

National—(415) 648-4444

Yellow Cab—(415) 626-2345

For all other City Services or if you need assistance, please dial 311

Poetry/Essay Contest

Date: January 24, 2009

Time: 11am-3pm

Ship Shape Bldg.

TIHDI'S EDUCATIONAL SUMMIT



YOUTH: SPEAK YOUR VOICE

'EDUCATIONAL THEMES'

Poetry and Essay contest

For

Treasure Island Youth

PRIZES, PRIZES, PRIZES

Contact Danjuma: 415-274-0311x302

BUSINESS ASSISTANCE CENTER
SHIP SHAPE BUILDING
497 AVE I TREASURE ISLAND, SAN FRANCISCO, CA
94130
CALL 415-986-4810 TO MAKE APPOINTMENTS

TREASURE ISLAND
FREE TAX
PREP

THURS 12N-8P
SAT 10A-12N

OPEN AN ACCOUNT ONLINE
INSTANTLY!

1040
Label

HELP

You may qualify for a Tax Refund of up to \$4,000 through The Federal Earned Income Credit

COMMUNITY FEEDBACK PILOT STUDY

Have a question, suggestion, concern, or complaint about the Islands? There are many agencies and organizations which affect us and sometimes it can be confusing about who you need to contact. In order to better help residents we have created an on-line Community Feedback Form that you can access by going to www.TreasureIslandOnline.net. There you can make suggestions, ask questions, file reports regarding noise, trash problems, street lights, wild animals, pets, etc. This will make it possible to track complaints and forward them to the appropriate agency. You have the option of remaining anonymous, or to include your email address so a copy of your report will be mailed to you for your records.

The form will be forwarded to Marianne Thompson of the Treasure Island Development Authority who will follow-up with the responsible agency. The information gathered from the reports will be used to address both general and specific problems on the Island.

Please note that this is a "secondary" system. You will first need to contact the proper agency (your leasing office, the police, Animal Care & Control, 311, etc) to make a formal complaint or request.

A copy will also be sent to Good Neighbors of TI/YBI as a backup.

Many cities have similar such reporting tools so we are not re-inventing the wheel here. We hope that by having a central mechanism to collect incidents we can improve our overall quality of life.

Questions? Write to good_neighbors@comcast.net or call 415-520-6653.

Community Feedback Form
Pilot Study



YMCA NEW SCHEDULE OF ACTIVITIES AND PROGRAMS

Kenpo – Martial Arts Training:

- Open to all ages
- Every Tuesday night 6:00 pm – 7:30 pm

Hip-Hop/Dance:

- Open to all ages
- Every Wednesday night 6:30 pm – 7:30 pm

Youth Basketball:

- Open to children ages 9 and up
- Every Tuesday & Wednesday night 6:00 pm – 8:00 pm

Aikido/Self Defense Training:

- Open to all ages
- Every Thursday night 6:00 pm – 7:30 pm

Walk for Life – Cardio Training for a Healthier Life

- Open to all ages
- Every Thursday night 6:00 pm – 7:00 pm

Pilates – Core Strength Training:

- Open to ages 16 and up
- Every Friday 6:00 pm – 7:00 pm

Parents Night Out:

- Open for children ages 8 and up.
- **The first Friday of every month – 6:00 pm – 9:00 pm**
- Parents can drop their children off for fun and games while the parents go out

Friday Night Family Activities

- Open to all families
- **The second Friday of every month – 6:00 pm – 8:00 pm**

Racquetball Club:

- Open to ages 18 and up
- Every Saturday 1:00 pm – 2:00 pm (Class time subject to change)

Membership to the Treasure Island YMCA is free but you must be a member to use the facilities. We have two (2) racquetball courts, a Kid's Room, a weight room, a cardio room, and two (2) Wellness Studios. We also have equipment available for check-out for our members. To check-out equipment we ask that you leave: house keys, car keys, state id, passport or cell phone. We will not accept wallets, jewelry or any type of clothing or shoes.

If you have any questions about the activities & programs that are offered at our facilities please feel free to contact:

Neal Sedgwick
Facility Coordinator – Treasure Island YMCA
415-765-9037
ksedgwick@ymcasf.org



COMMUNITY MANAGEMENT

Effective 1/2/09, our office hours will change to: Monday through Friday 8:30 a.m. to 5:00 p.m., Saturdays 10:00 a.m. to 3:00 p.m.

Email Notification: Tenants can receive up-to-date newsletters and notices from our office through email. If you are interested, please email The Villages at Villages@jisco.net with the subject "Email Notices Sign Up," and include your name, address, and contact information. We will first verify the information, and then send you the latest community communications including newsletters and notices.

A SAFER & BRIGHTER COMMUNITY

ADT Home Security Services: Home security is always important to us. The safety of our loved ones, along with our belongings should be well safeguarded. The Villages at Treasure Island is promoting the installation of ADT Security Services. For promotional installation details, please call the Management Office.

Turn Porch Lights On: The community has limited street lights, and backyard common areas may have blind spots at night. Residents are advised to have sufficient lighting in their housing area and are encouraged to turn on backyard and front porch lights throughout the night.

ENERGY CONSERVATION

Did you know The Villages at Treasure Island spends over a million dollars a year on the energy bill? You can help reduce this expense by doing small tasks around the house such as:

- Turn down the thermostat when leaving your house
- Turn down the thermostat to 68 degrees when you're home. For every degree you lower your heat in the 60-degree to 70-degree range, you'll save up to 5 percent on heating costs. Wear warm clothing like a sweater and set your thermostat to 68 degrees or lower during the day and evening, health permitting. Set the thermostat back to 55 degrees or off at night or when leaving home for an extended time, saving 5-20 percent of your heating costs.
- Let the sunshine in. Open drapes and let the sun heat your home for free (close at sundown so they help insulate).
- Turn off the lights in unoccupied rooms.
- Turn off the porch light during the day
- Rearrange your rooms. Move your furniture around so you are sitting near interior walls - exterior walls and older windows are likely to be drafty. Don't sit in the draft.
- Turn off kitchen and bath-ventilating fans after they've done their job - these fans can blow out a house-full of heated air if inadvertently left on.
- Shorten showers. Simply reducing that lingering time by a few minutes can save hundreds of gallons of hot water per month for a family of four. Showers account for 2/3 of your water heating costs. Cutting your showers in half will reduce your water heating costs by 33 percent.
- Use appliances efficiently. Do only full loads when using your dishwasher and clothes washer. Use the cold water setting on your clothes washer when you can. Using cold water reduces your washer's energy use by 75 percent. Be sure to clean your clothes dryer's lint trap after each use. Use the moisture-sensing automatic drying setting on your dryer if you have one.
- Put your computer and monitor to sleep. Most computers come with the power management features turned off. On computers using Windows, open your power management software and set it so your computer goes to sleep if you're away from your machine for 5 to 15 minutes. Those who use Macintosh computers look for the setting in your Control Panels called "Energy Saver" and set it accordingly. When you're done using your computer, turn it off (see next tip). Do not leave it in sleep mode overnight as it is still drawing a small amount of power.
- Plug "leaking energy" in electronics. Many new TVs, VCRs, chargers, computer peripherals and other electronics use electricity even when they are switched "off." Although these "standby losses" are only a few watts each, they add up to more than 50 watts in a typical home that is consumed all the time. If possible, unplug electronic devices and chargers that have a block-shaped transformer on the plug when they are not in use. For computer scanners, printers and other devices that are plugged into a power strip, simply switch off the power strip after shutting down your computer. The best way to minimize these losses of electricity is to purchase ENERGY STAR® products.

For more information, check out <http://www.consumerenergycenter.org/tips/winter.html>

If you notice any draft through your windows or doors, please contact the Management Office at (415) 834-0211.

UPDATE ON THE NAVY CLEANUP PROGRAM

Written by: James Sullivan

The Navy and their contractors continue investigation and environmental cleanup at locations on Treasure Island and Yerba Buena Island.

TI Housing Area (Site 12): Soil excavation continues in the Westside Drive area, and is expected to continue through at least the end of March 2009. Access to the areas at the northeast corner of TI, including the boat ramp area, will be affected until approximately April 2009, depending on when all of the contaminated soil in bins and stockpiles is transported off the island from this area. Additional project updates will be provided at the February 17th and April 21st 2009 Restoration Advisory Board (RAB) meetings.

The Navy pilot study to treat arsenic in groundwater near the corner of Westside Drive and Gateview Avenue began in December with the installation of new monitoring and treatment wells. Fieldwork will continue through February 2009, and then the pilot treatment system will be operating. (Groundwater is not used for drinking water at TI and YBI. All drinking water is supplied by pipeline from San Francisco.)

Daycare Center (Site 30) and Former South Storage Yard (Site 31): The Navy and the State of California plan to sign Records of Decision/Remedial Action Plans (ROD/RAPs) for the final cleanup decision for these two sites within the next few months. During 2008 the Navy, in conjunction with state environmental regulatory agencies, had prepared Proposed Plans/Draft Remedial Action Plans (PP/Draft RAPs) for Sites 30 and 31 for public review and comment. A Public Meeting was held on October 7, 2008.

There is no risk to users of the daycare center. The Navy completed an earlier soil cleanup action in 2002/2003 around the building prior to the daycare center opening in 2003. The objective of the ROD/RAP for Site 30 is to protect current daycare center users by preventing the ingestion of, and direct contact with, soil containing unknown concentrations of dioxins beneath the building foundation.

Site 31 is a portion of the south playground area of the former TI elementary school. The playground is paved with asphalt. The ROD/RAP addresses soils beneath the pavement. Following the signing the ROD, the Navy will conduct a soil removal at Site 31 beginning in Spring 2009.

Other Ongoing Cleanup Projects: There are two ongoing groundwater cleanup pilot projects; at Site 21 near the Youth Sailing Center at Pier 12, and at Site 24 on the east side of the island.

New Cleanup Projects: The Navy is planning a soil abatement for polychlorinated biphenyls (PCBs) at Site 32, a former training area east of the wastewater treatment plant at the northeast corner of TI. Field work will begin in early 2009. During 2009, the Navy will also be performing a radiological screening and demolition of Building 233, located along Avenue M at 4th Street. Building 233 was a Navy training building and the site of a 1950 spill of a vial of radium salts in a classroom.

Where You Can Get More Information: Copies of documents are available for review at the Information Repository at: San Francisco Public Library, Government Publications Section, 100 Larkin Street, San Francisco, California, (415) 557-4400 and the Navy BRAC Caretaker Site Office, 410 Palm Ave, Building 1, Room 161 on Treasure Island, (415) 743-4729. Select documents are also available on the Navy's website.

If you have any comments or questions, please contact James Sullivan at (619) 532-0966 or send an e-mail to james.b.sullivan2@navy.mil. You can also attend the bi-monthly Restoration Advisory Board (RAB) meetings to get updates on Navy cleanup projects at TI and YBI. All RAB meetings are public meetings. Everyone is welcome! The next RAB meeting is **Tuesday February 17th** at 7:00 pm at the Casa de la Vista. Future RAB meetings are scheduled for **April 21st** and **June 16th 2009**.

Newsletters and Information Sheets will also be mailed out periodically by the Navy.

Please visit the Navy website at www.bracpmo.navy.mil



Soil Excavation at Westside Drive

SAN FRANCISCO, CALIFORNIA

TREASURE ISLAND

Community Resources

Calendar • Food • Google Map • History • Community Safety
TI Related Organizations • TI/YBI Law Enforcement • Transportation

www.TreasureIslandOnline.net

Get involved with your community!

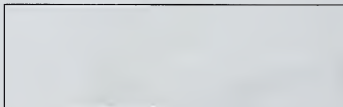


Please send your comments or questions to:

Mark@treasureislandonline.net

Treasure Island Development Authority
Treasure Island Homeless Development Initiative
Treasure Island Villages
410 Palm Avenue
Building 1
San Francisco, CA 94130

STAMP





ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
G. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

January 21, 2009

Ms. Alida J. Bray, President & CEO
History San Jose
1650 Senter Road
San Jose, CA 95112-2599

Dear Ms. Bray,

I write in response to your January 12, 2009 letter requesting a loan to History San Jose of our Miguel Covarrubias "Pageant of the Pacific" mural set (Murals) for purpose of display at San Jose City Hall. As you may be aware, one of the murals "Fauna and Flora of the Pacific Region" is currently on an extended loan to the Fine Arts Museums of San Francisco for the purpose of public display at the deYoung Museum. It is unavailable for loan by the Treasure Island Development Authority (Authority) at this time.

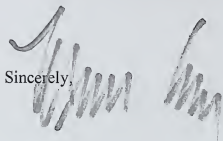
I am pleased to grant initial approval of the loan and display proposal for the remaining four Murals, dependent on subsequent agreement to terms and execution by all sides of the Authority's standard Loan Agreement document for temporary loan and display of the Murals. In order to begin drafting the Loan Agreement, we require the following additional information be provided to augment the initial request.

1. Letter of confirmation from the City of San Jose that History San Jose is authorized to program spaces and display works of art at San Jose City Hall.
2. Facility Report for the exhibition location in a substantially similar form as the standard American Museum Association Facility Report document.
3. Detailed schedule including dates for transportation from Treasure Island to location, installation of Murals, exhibition, deinstallation of Murals, transportation back to Treasure Island and any anticipated periods of short term storage.
4. Method of transportation of Murals throughout the loan period.
5. Detailed installation and deinstallation plan for Murals at location, including information describing responsibility for installation and deinstallation, methods to be used, materials to be used, and labor to be used.
6. Description of theme and tone of proposed exhibit, including description of any larger exhibit which the Murals may be included in.
7. Location and facility report for any storage facility which may be utilized for short term storage of the Murals in connection with the proposed exhibition.

Please forward the above information to TIDA staff member Peter Summerville at your earliest convenience. We are pleased that History San Jose, the Mexican Heritage Corporation and the

City of San Jose Office of Cultural Affairs have taken such an interest in the Murals. We are happy to work with you on making public display of the Murals at San Jose City Hall a reality and a rousing success. Should you have any additional questions, please contact Mr. Summerville at (415) 274-0665.

Sincerely,



Mirian Saez
Director of Island Operations

CC: Treasure Island Development Authority Board of Directors
Marcella Davison Aviles, Mexican Heritage Corporation
Kathleen Berrin, Fine Arts Museums of San Francisco
Jonathan Chait, Consulate General of Mexico – San Francisco
file

CITY & COUNTY OF SAN FRANCISCO



GAVIN NEWSOM, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY

MIRIAN SAEZ

410 AVENUE OF THE PALMS,
3. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

DIRECTOR OF THE ISLAND OPERATIONS

January 30, 2009

Via Hand Delivery

Patricia A. McFadden
BRAC Field Team Leader
Program Management Office, West
410 Palm Avenue, Building One, Suite 161
San Francisco, CA 94130

Re: Disposal of Personal Property Navy vehicles

Dear Ms. McFadden,

Please let this letter serve as the Treasure Island Development Authority's (TIDA) formal request for permission to return all of the Navy vehicles referenced in the attached list. As you may be aware, these vehicles and equipment are at least ten years or older, and as such, have passed their viable life of operation and are of no economic value. Further, these vehicles have been vandalized, leaking oil and are an eye sore through out the Island.

Thank you for your consideration of this request, and should you have any questions regarding this matter, please do not hesitate to contact me or my staff member Frishtah Afifi at the above number.

Mirian Saez
Director of the Island Operations
Treasure Island Development Authority

Cc: Personal Property File

Paint #	GSA License	Veh #	drained	Year	Make	Model	Vin
1	94-41262	417G602	15-Jan	1990	Dodge	Ram350	2B7KB31ZXLK738523
2	93-24531	417G520	1/15/2009	1988	Dodge	Ram250	2B4HB25Y7KK313245
3			1/16/2009			Water pump	68378000357
4	94-41146	173G521	1/15/2009	1990	Dodge	D150	1B7GE16XXLS684185
5	94-39605	417G508	1/15/2009	1990	Dodge	D150	1B7GE16X1L5881143
6	94-41852	417G523	1/14/2009	1990	Ford	Ranger	1FTCR10A2LUA81551
7	94-30185	417G506	1/14/2009	1988	Chevrolet	Astro Van	1GCCM15E4J8216225
8	95-25743	417G603	1/16/2009	1985	GMC	5000	1GTE5D1A1FV515350
9	94-24046		1/14/2009		Chevrolet		1GCCFC24LKGJ133239
10	94-36831	417G501	1/13/2009	1988	Chevrolet	S10	1GCB814E5J8223238
11	94-33072	417G601	1/13/2009	1987	Ford	F350	2FTJW3511HCA89345
12	93-23808		1/13/2009		Chevrolet	Astro Van	1GNCM15Z2BH120288
13	93-23796	151G302	1/12/2009	1986	Chevrolet	Astro Van	1GNCM15Z3BH119702
14	95-25984		1/16/2009	1985	International	S1600	1HTLAHEKGGH417342
15	96-39619		1/15/2009		International	S1600	1HTLAHE11FHA25808
16	94-32746		1/12/2009		Chevrolet	S10	1GCGS14E4J8142062
17	94-21108		1/13/2009		Chevrolet	Custom Delux 20	1GCEC24L5FJ118948
18	94-24042	417G515	1/13/2009		Chevrolet	Custom Delux 20	1GCEC24L6JG113497
19	95-26230	417G608 ?	1/14/2009		International	S1600	1HTLAHEKGGH418745
20	96-42629		1/21/2009		GMC	6500	G038056
21	95-27282		1/16/2009	1987	International	S1600	1HTLAZPM7JH549594
22	73-02242		1/20/2009		GMC	8500	HM80A-D106282
23	95-27550		1/14/2009		GMC	6000	1GTG6D1F3JV508409
24	94-36819		1/12/2009		Chevrolet	S10	1GCB814E4J8221330
25	94-34684		1/12/2009		Chevrolet	S10	1GCC14F5J8177663
26	93-26785	417G507	1/12/2009	1990	Ford	Aerostar	1FMCA11UOLZB55693
27	94-36469	745200	1/12/2009	1988	Dodge	D150	1B7FE16X1K50161141
28	94-36810	426415 ?	1/20/2009		Chevrolet	S10	1GCB81AETJ220673
30	94-37404		1/23/2009	1988	Chevrolet		1GCCR23J2J135454
31	94-23344		1/26/2009	1985	Chevrolet		1GBGC2479FJ125102
32	96-40024		1/26/2009	1985	GMC	Brigadier	1GTV9C4Z3GV513858
33			1/22/2009		Amida	Lighting Trailer	USGOV68378001121
34	94-36531	426USN231	1/21/2009	1988	Dodge	Ram D150	1B7FE16X0K8020763
35	94-32054	426USN230	1/21/2009	1988	Chevrolet	Cheyenne	1GDCD14Z5J212820
36			1/23/2009		Welder	Trailer	TI MINOR 008416
37	91-01509		1/22/2009		Generator	Trailer	USGOV 68378001036
38	09-52840 ?		1/22/2009		Water Pump	Trailer	USGOV 68378000085
39	CA F-407415		1/22/2009		Boat 23'	No Motor - Outboard	CF1244XF
40	97-37251		1/22/2009		McLellan	Horse Trailer	A30468538701
41	94-21110	426234 ?	1/26/2009	1984	Chevrolet		1GCEC21L2FJ118955
42	94-24031		1/21/2009	1984	Chevrolet		1GBGC24M7FJ128250
43	97-04766		1/29/2009	1987	Ford	F700	1FDNK74N7GVA60501
44	96-40018		1/26/2009	1985	International	S1900	1HTLKMJR4GHA15615
45	94-36535		1/20/2009	1988	Dodge	D150	1B7FE16X2K8020764
46	94-21917		1/23/2009	1985	Dodge	D150	1B7HD14H5F3722283
47	94-22742		1/23/2009	1985	Dodge	Ram	B7HB23H7FK270263
48			1/22/2009		Amida	Lighting Trailer	USGOV 68378001066
49			1/27/2009		Delta/Rockwell	Table Saw	
50			1/27/2009		Delta/Rockwell	Planer	
51			1/27/2009		Delta/Rockwell	Radial Arm Saw	2641-B
52	13-20460		1/26/2009		Mercury	Mod 400SB2 Forklift	DRMO Alameda
53	PWC Minor M060866		1/27/2009		Battery Charger	Battery Charger	GOV 228USN019515
54	31-07230		1/22/2009		Sullair	Diesel Compressor	498577
55	54-07961	426713	1/29/2009	1991	Ford	L8000 Sewer Vacuum	1FDZW82AXMV/A23171
56	94-32749	757G500	1/20/2009	1988	Chevrolet	S10	1GCB514E9J8142140
57			1/23/2009		Tennant	385 Small Sweeper	
58	94-33036	417G600	1/16/2009		Ford	F350	2FTJW35L9HCA89319
59	95-25741	151G603	1/16/2009		GMC	5000	1GTE5D1AXFV515346
60	94-37707	417G514	1/13/2009	1988	Chevrolet	2500	1GCF24H7J291946
61	92-26020	151G001	1/14/2009	1990	Ford	Tempo	1FAPP36X6L145011
62	73-02695	145N504	1/27/2009	1982	Ward	RWLTD-100	N-1058
63	93-23785	145N400	1/21/2009		Chevrolet	Astro Van	1GNCM15Z1HB119911
64	94-42347	145N703	1/27/2009	1990	Ford	F350	1FDKE30M2MHA07565
65	94-38647	417G511	1/15/2009	1988	Chevrolet	3500	1GBCC34JXJ201374
66	92-25589	151G002	1/20/2009	1988	Plymouth	Reliant	1P3BP46D7J249239
67	94-41922	417G522	1/20/2009	1990	Ford	Ranger	1FTCR10A8LUA81621
68	73-02533	145N504	1/28/2009				
69	94-48442	145N701	1/29/2009	1992	Ford	E350	
70		145N859	1/28/2009		18'8" Hull		
71		145N999	1/28/2009		18'8" Hull trailer		
72		145N	1/27/2009		Zodiac		
73		145N	1/27/2009		Zodiac Trailer		
74	93-25817	151G502	1/29/2009	1990	Ford	Aerostar	1FMCA11U8L2A50103
75	94-31187	417G519	1/28/2009	1988	Chevy	2500	2B411B25Y7KK313245
76		158G515	1/28/2009	1990	Ford	Ranger	1FTCR10A2LUA81498
77	94-31180	151G503	1/21/2009	1988	Chevy	Utility	1CFC24H3J239195
78	93-24537	151G304	1/23/2009	1988	Dodge	Van	2B4H325Y4K312425
79			1/23/2009		Trailer with	Diesel Fuel Tank	

CITY & COUNTY OF SAN FRANCISCO



MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

To: Mirian Saez, Director of Island Operations
From: Peter Summerville
Date: January 23, 2009
Re: January 12, 2009 on-island power outage

On January 12, 2009, Treasure and Yerba Buena Islands experienced a complete loss of electrical service for two separate periods of time between approximately 8:15 AM and 4:15 PM. The outage was due to a ground fault on the PG&E 115 kV line on the Oakland side of the power delivery system. Below is a timeline of the outage and response. All times are approximations:

8:15 AM - Initial failure occurs, PUC notifies TIDA of outage.

8:35 AM - Power restored, PUC notifies TIDA of restoration.

8:45 AM – Second failure occurs, PUC notifies TIDA of outage.

1:00 PM – PUC notifies TIDA that the PG &E timetable for repair of the affected portion of the 115kV line is still open-ended due to ongoing inability to locate location of fault in line. Director of Island Operations requests PUC activate on-island emergency generators.

1:45 PM – 4:00 PM – Island power activated via on-island generators, PUC provides on-going notification to TIDA of progress of PG&E repair efforts.

4:15 PM – PG&E repairs completed and regular Island power service from Oakland restored, PUC notifies TIDA of restoration.

The following City Departments and on-island entities were notified of the situation by TIDA or were in contact with TIDA regarding the outage:

- San Francisco Department of Public Works
- San Francisco Fire Department Station 48
- San Francisco Police Department
- San Francisco Department of Emergency Management

- San Francisco Department of Technology
- San Francisco Office of the City Administrator
- United States Navy Caretaker Site Office
- United States Coast Guard, Yerba Buena Island
- Treasure Island Job Corps Center
- On-Island housing providers (John Stewart Company and Treasure Island Homeless Development Initiative)

A handwritten signature in blue ink, appearing to be 'S. J. Stewart', is located below the list of organizations.

1 Senter Road
Jose, CA 95112-2599
287-2290 Main
287-2291 Fax
historysanjose.org



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Petit Trianon

January 12, 2009

Peter Summerville
Treasure Island
Development Authority
410 Avenue of Palms, Bldg. 1
San Francisco, CA 94130

Dear Peter,

History San José (HSJ) in partnership with Mexican Heritage Corporation (MHC), and the City of San José Office of Cultural Affairs respectfully request permission to borrow the five Covarrubias Murals for public display in San José City Hall.

Please find a full Proposal attached, but here are some highlights:
Loan Period: August 3 – Pick up and deliver directly to SJ City Hall
August 17, 2009 – Open; April 16, 2010 – Close and return directly to TI.
Loan Agreement: signed by History San José, who will assume responsibility for all costs: transport, display and insurance. The budgeted insurance amount is an estimate based on information you provided valuing the set of murals at \$7.5 million.

The loan request is timed to have the murals on public display for the celebration of the **18th Annual San José Mariachi and Latin Music Festival**, which draws tens of thousands of people to San José. HSJ and MHC will plan public programming to make the most of these wonderful murals while they are in San José. We will, of course, also explore all publicity avenues and give full credit as you define. There is a great deal of excitement already generated at the possibility of displaying the murals in San José, I hope that we can make this a reality. I look forward to discussing this Proposal with you further. Please so not hesitate to call me at 408.918.1041.

Sincerely,

Alida J. Bray
President & CEO



CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
G. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

January 14, 2009

Willa Seldon,
Glide Foundation/Glide Memorial Church
330 Ellis Street
San Francisco, CA. 94102

Dear Ms. Seldon:

The Treasure Island Development Authority (the "Authority") is a strong supporter of the Glide Foundation/Glide Memorial Church ("Glide"). Over the past three years Glide has operated a construction training facility for youth at Treasure Island. We have witnessed the positive impact this program has had on trainees. We look forward to expanding opportunities for Glide to provide professional skills training for at risk youth.

The Authority is the caretaker for the Navy Base known as Treasure Island. Among the assets under management by the Authority is 12 unit residential building known as Quarters 240. All 12 units are in need of repairs ranging from roofing through plumbing and electrical work. We consider rehabilitation of this facility an ideal training opportunity for Foundation trainees.

The Authority supports Glide's proposal for funding under the Youthbuild Program. To support the success of the Glide Youthbuild Program, the Authority commits to provide Quarters 240 to Glide with a fair market rent of approximately \$10,000 per month at no cost to Glide.

We are pleased to be a part of this exciting project. The Authority will commit to making this project a reality, subject to approval and receipt of a FY 2009-2011 Youthbuild grant, and Treasure Island Development Authority Board approval.

Sincerely,

Mirian Saez,
Director of Island Operations.

[Handwritten signature and stamp]
SUBMITTED TO
MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS
JAN 14 2009



"Steve Sarna"
<steve@winevalleycatering.co
m>

01/28/2009 11:12 AM

To <mirian.saez@sfgov.org>,
<marianne.thompson@sfgov.org>

cc

bcc

Subject

Nathan is now working Saturday and Sunday, along with Steve and Lynn showing Treasure Island.

This is a far better use of staff for customer service than staffing Monday through Friday.

Treasure Island has never staffed the weekend before to open the venues for tours. We are averaging 15 to 20 couples looking for wedding sites every weekend, as opposed to the 3 to 4 couples that can come in during week days from 9 to 5:00.

Steve

Steve Sarna

Director of Sales

Wine Valley Catering

Treasure Island

410 Avenue of the Palms, Suite 201

San Francisco, CA 94130

Phone: (415) 274-2013 Fax: (415) 274-2043

and

Napa:

875 Sousa Lane

Napa, CA 94559

Phone: (707) 256-2900, Fax: (707) 256-2906



playpen.

- C.W. Nevius

Big honor for S.F. attorney: If ever a cutting-edge policy from San Francisco is challenged in court, chances are **Vince Chhabria** will have a hand in defending it.

The deputy city attorney was just named one of California's top 20 lawyers under 40 by the Daily Journal. City Attorney **Dennis Herrera** hired Chhabria in early 2005 from the firm Covington & Burling. Chhabria said he was lured by the promise of high-profile, unique cases - and he's definitely gotten some.

In his four years on the job, Chhabria has been the lead attorney defending the city's requirement that employers provide health insurance to their staff. (He won.) He was the lead attorney on the tobacco legislation twice, defending the drug store ban in cases brought by Philip Morris and Walgreens. (Won again.)

He helped same-sex marriages become legal in California, though the passage of Proposition 8 overturned that - at least for now. He also successfully defended the city's red light camera program and the requirement that landlords pay tenants' moving costs if they're evicted through no fault of their own.

Chhabria, a 39-year-old who lives in San Mateo with his wife and 1-year-old son, previously clerked for U.S. Supreme Court Justice **Stephen Breyer** and his brother, U.S. District Judge **Charles Breyer**, who told the City Insider that Chhabria "is creative and at the same time has excellent common sense."

Herrera has hired 21 young law clerks, including another clerk for a U.S. Supreme Court justice. **Christine Van Aken** worked for Justice **David Souter**. ("Any one of them could have won this award," Chhabria said.)

If Herrera makes an expected run for mayor in 2011, would Chhabria consider running for city attorney himself? He said the answer is a definitive no.

- Heather Knight

Nuts! (Or not): In the category of better-late-than-never, San Francisco school officials have announced that school meals contain no peanuts or peanut products, nor is the food prepared in "equipment that might contain peanut residue."

The announcement comes on the heels of a national salmonella outbreak relating to peanut butter that sickened hundreds of people. The federal government later ordered the recall of a long list of peanut butter and other peanut products.

District officials said Student Nutrition Services, which oversees the school lunch and breakfast programs, discontinued the use of peanuts and peanut products several years ago. Good to know.

- Jill Tucker

City Insider is now running six days a week! Check out our new Sunday column or read our blog at sfgate.com/blogs/cityinsider. E-mail the writers at cityinsider@sfgate.com.

This article appeared on page B - 1 of the San Francisco Chronicle

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Thousands serve on Martin Luther King Jr. Day

Tyrice Hendricks, Chronicle Staff Writer

Tuesday, January 20, 2009

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FONT SIZE: [] []

(01-19) 19:36 PST — Volunteers were out in force Monday, across the Bay Area and around the nation, to mark Martin Luther King Jr. Day as a "day of service," propelled by a call from President-elect Barack Obama to honor the slain civil rights leader's memory by working for the common good.

IMAGES



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D.C.

Monday's events marked a transition from the era of big marches on the holiday to a budding movement that is more about rolling up one's sleeves and getting to work.

On Treasure Island, Lisa Rosenthal and her daughter Emily were among 15 volunteers painting and refurbishing an apartment for several formerly homeless female veterans. They were recruited by the group Swords to Plowshares, which advertised the event through an Obama campaign Web site.

"Obama did a great job in the campaign inspiring people on a grassroots level," said Rosenthal, 57, a Web site editor from Burlingame. "There's a hunger to want to continue serving our community."

Mary Rivera, 49, who served eight years as an electrician in the U.S. Navy and now lives in transitional housing on Treasure Island, was touched by the volunteers in her living room.

"I'm really happy they're here," she said. "They could've been somewhere else, because it's a holiday, but they're trying to help veterans."

The holiday, first observed in 1986, was adapted by Congress in 1994 to honor King with community service. That approach received a huge boost this year when Obama asked Americans to volunteer. The holiday for King's Jan. 15 birthday is observed on the third Monday in January, which this year happened to fall on the day before Obama's inauguration as the country's first African American president.

The dream

Tears streamed down many faces in the crowd at the Civic Center as the audience listened

With paint rollers, scrub brushes, work gloves and rakes, thousands of Bay Area residents pitched in, side by side with neighbors and strangers, to help improve their communities: cleaning up beaches, painting homeless shelters, weeding parks and reaching out to homeowners at risk of foreclosure.

Thousands of people also gathered Monday at San Francisco's Bill Graham Civic Auditorium to hear speeches and music, and to watch footage of the Rev. Martin Luther King Jr. delivering his legendary "I Have a Dream" speech from the steps of the Lincoln Memorial at the 1963 civil rights march on Washington,

San Francisco Chronicle SFGate.com

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to King intone: "I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character."

Afterward, 10-year-old Tyler Robinson of Menlo Park thought about Obama's coming inauguration and reflected, "It was almost like Martin Luther King predicted that it would happen."

His mother, Allison Robinson, who was laid off from her job as a receptionist before Christmas, said she's praying that Obama can provide not just symbolic aid but help for the economy as well.

For 20 years, African Americans and other civil rights supporters in the Bay Area have marched down San Francisco's Market Street to rally at the Civic Center, more recently inside the civic auditorium. In recent years, the event has dwindled in size, and the march has been eliminated. But the "day of service" appears to be giving the holiday a new - if more dispersed - energy.

Corey Monroe, 37, a case manager who works with children whose parents are incarcerated, was glowing after the Civic Center gathering. He planned to make a visit to teenagers in juvenile hall Monday evening and talk about the meaning of Martin Luther King Jr. Day and of Obama's inauguration. "This is something they can grab hold of and ride along with everyone else."

Walking the walk

In Washington, Obama spent Monday morning wielding a paint roller, working alongside teenagers painting a shelter for homeless youth. He reminded the kids of a quote by King: "Everybody can be great, because everybody can serve."

Obama spoke of the need for the government to do more to ensure that Americans have health care, jobs and the chance to go to college. However, government can only do so much, Obama said, "and given the crisis that we're in and the hardships that so many people are going through, we can't allow any idle hands. Everybody's got to be involved; everybody's going to have to pitch in."

Fifty people signed up to help Swords to Plowshares with the painting project, far more than needed, said staff member Colleen Corliss, so the group is planning follow-up events.

The same was true for the Golden Gate National Parks Conservancy, which had 700 people sign up in advance only to have 1,350 arrive Monday to clean up parks and beaches from Muir Woods to the Presidio to La Grana.

"The response was tremendous," said spokesman David Shaw. "They contributed 4,050 hours - that's equivalent to two full-time staff people working for a year ... We organized this specifically when we heard the call for a day of service from Obama. I imagine this will become an annual event."

E-mail Tyche Hendricks at thendricks@sfgchronicle.com.

This article appeared on page A - 1 of the San Francisco Chronicle

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Save the Date

Treasure Island Clean up!

Saturday March 7th, 2009

Located in the lot at 12th Street and Avenue D

Beside the Fire Station

Get a jump start on spring cleaning.

Participating Agencies

Goodwill, Golden Gate Disposal and The Department
of the Environment

**Residents will be responsible for getting their items to
the drop of site.**

For more information contact Marianne Thompson at (415) 274-0662

Or Marianne.Thompson@sfgov.org.



Please join TIMA for its third annual

TREASURE ISLAND HISTORY DAY

in Treasure Island's historic Building One!



Saturday, February 21, 2009

11:00 a.m.-3:00 p.m.

Building One Lobby, Treasure Island

San Francisco, California

Join the Treasure Island Museum Association for an informal celebration of the 70th Anniversary of the Golden Gate International Exposition.

- ✦ Walking tours
- ✦ Treasure hunt and prizes!
- ✦ Ongoing informal talks
- ✦ Slide and video presentations
- ✦ Share your photos and memorabilia
- ✦ See our new photo exhibit!
- ✦ Learn about Treasure Island's future



For more information, please call 650 796 0520. For directions and island amenities, see www.treasureislandmuseum.org and click on the "Visit Treasure Island" link. For Treasure Island information click on the Treasure Island Development Authority link.

Call 650 796 0520 if you have questions or would like additional information. Please call if you would like to volunteer! We hope to see you on February 21st!

Special thanks to the Treasure Island Development Authority, the Art Deco Society of California, and the California Heritage Council

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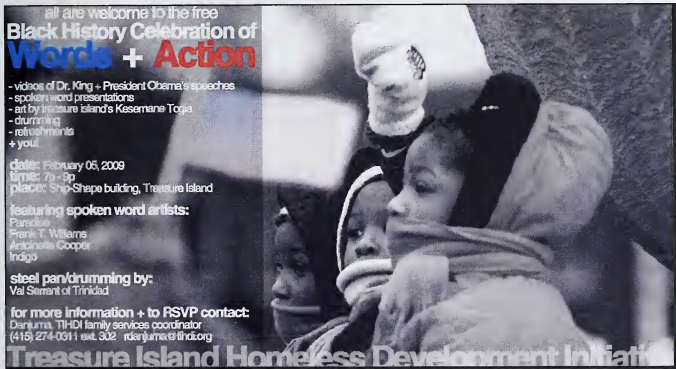
NOTE: February is Black History months. There are many activities on Treasure Island.

Every Tuesday: 7 p.m. – 8 p.m. AA & NA Meetings in the ShipShape Building. Both AA and NA meetings are held simultaneously from 7pm - 8pm (Sometimes 8:30) on Tuesdays at the ShipShape Building. They are open to any and all recovering persons.

Every Thursday— 10 :30am—4 pm San Francisco Public Library Bookmobile—ShipShape Building

Second Wednesday of each month 1:30—4 pm Treasure Island Development Authority Board Meeting. City Hall

Second Friday of each month —7 pm—pm Island Neighborhood Watch at the Ship Shape



all are welcome to the free
**Black History Celebration of
Words + Action**

- videos of Dr. King + President Obama's speeches
- spoken word presentations
- art by treasure island's Kesemane Topa
- drumming
- refreshments
- + you!

date: February 05, 2009
times: 7p - 9p
places: Ship-Shape building, Treasure Island

featuring spoken word artists:
Pamela
Frankie T. Williams
Ardeshielle Cooper
Indigo

steel pan/drumming by:
Val Stenart of Trinidad

for more information + to RSVP contact:
Dorinda, THIDI family services coordinator
(415) 274-0511 ext. 302 dorinda@thidi.org

Treasure Island Homeless Development Initiative

Treasure Island History Day Saturday, February 21 11 am— 3 pm

The Treasure Island Museum Association is hosting the third annual Treasure Island History Day. Walking tours, slide shows, discussions of the Island's history, exhibit of Island memorabilia. For more information email to esearch@treasureislandmuseum.org, or call 650 796 0520.

**Wednesday, February 18th, 6:30 p.m. Ship Shape
Treasure Island and Yerba Buena Island Commu-
nity Meeting**

Agenda
Crime Stat Update
Navy Remediation Update
Presentation about Treasure Island from Mirian Saez,
Director of Island Operations
Skate Board Park

This Calendar Is Going Electronic

Effective with the March issue of the calendar, The Villages At Treasure Island will be e-mailing a copy of this calendar to residents who have provided their email address to them.

THIDI residents will continue to receive their calendars in the usual way.

This new distribution method will

- Insure more timely delivery
- Save money and resources
- Eventually allow for more content.

Island Watch Meeting

When: 2nd Friday of each month
Time: 7:00 —78 pm
Where: The Ship Shape Building

911 for Cell Phones: 415-553-8090
 Non-Emergency Police Call 415-553-0123

Leasing Office (415) 834-0211

- Maintenance (415) 834-0211
- Emergency After Hours (415) 445-2184

Comcast (800) 266-2278

Good Neighbors (Community Group) (415) 520-6653

Muni/511.Org Dial 511

Neighborhood Watch (415) 738-8773

NEW: Treasure Island Community Garden TIGGA2008@gmail.com (800) 310-2355

SBC/ATT (415) 242-2600

SF Unified School District (415) 534-7970

San Francisco Supervisor Chris Daly (415) 274-0311 ext. 301

Treasure Island Creative Network (415) 274-0660

Treasure Island Development Authority (415) 274-0311

Treasure Island Homeless Dev. Initiative (415) 274-0311

www.sfgov.org/TreasureIsland (TI Development Authority)

Island Related Websites

www.THDI.org (TI Homeless Dev. Initiative)

www.TreasureIslandOnline.net (Community Resources/News)

TI Sailing Center www.tisailing.org (415) 421-2225

Recreation

Golden Gate Rugby www.sfggfc.com (415) 335-3079

SF Stars Netball www.starsnetball.com (415) 259-8489

YMCA Gym (415) 765-9037

Martina www.treasure-isle.com (415) 981-2416

Yacht Club www.tiyc.org/ (415) 434 4475

SF Little League www.sflil.org (415) 263-0510

Kidango (415) 634-0002
 SF Boys & Girls Club www.kidango.org (415) 362-9037

Stores

Treasure Island Market and Deli—7 am—10 pm daily at the front gate
 Treasure Island Mini-Market 7 a.m. to 8 p.m., Saturday & Sunday
 10 a.m. to 7 p.m.

Restaurant

Job Corps Advanced Culinary Academy Fine Dining Restaurant Job Corps - Building 368, 9th Street and Avenue C
 Hours of operation: Tuesday through Thursday: 12 noon to 1 p.m. Reservations required. Please call (415) 277-2301

Delivery to the Islands

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Planet Organics (800) 956-5855 www.planetorganics.com

Chinese Food Mae Lee (415) 242-1006

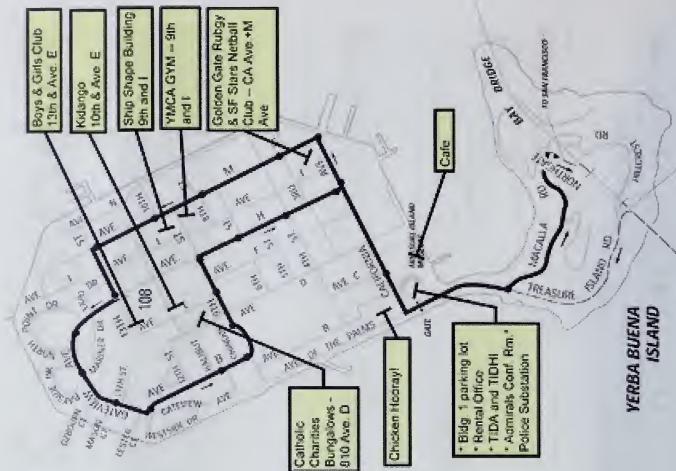
Gino's Pizaa (415) 922-0202

Pizza Lover (415) 437-9400

Town Pizza (415) 551-2524

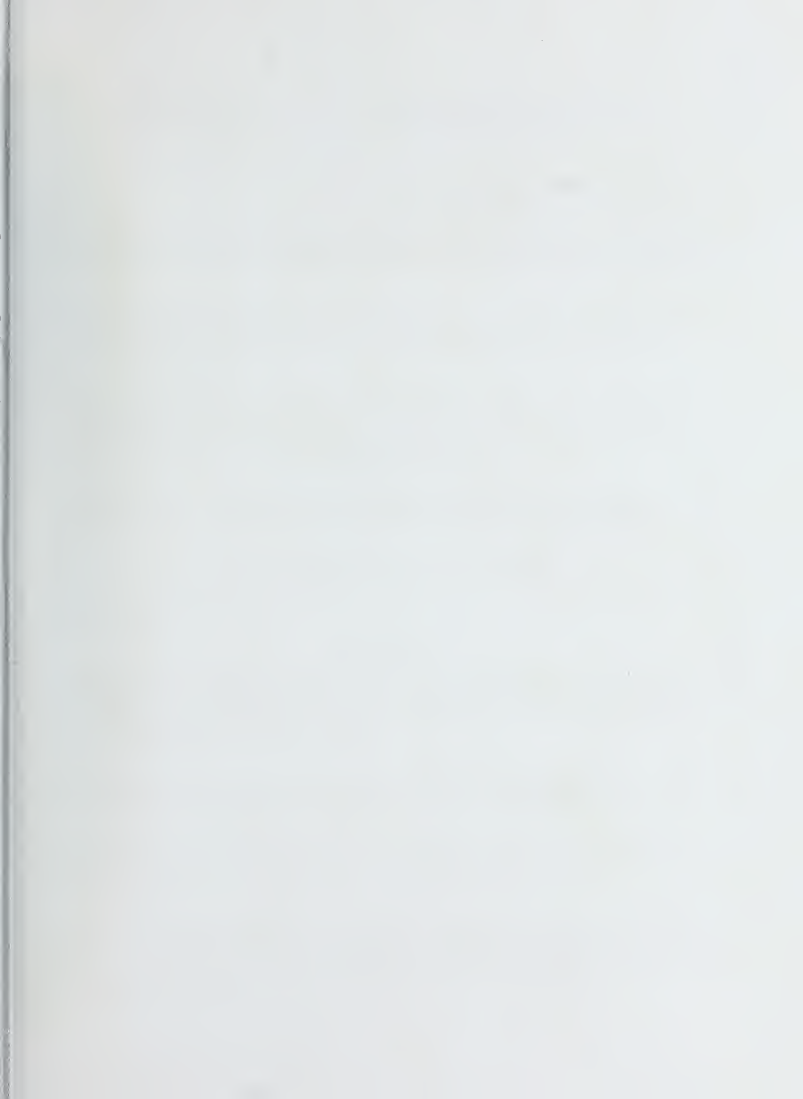
February 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5 Book Mobile Boy & Girls Club Activity 4—6 pm TTHDI's Opening Words—Action Shipsshape—7 pm	6	7
8	9	10	11 TTHDI Board Meeting	12 Book Mobile Boy & Girls Club Read-A-Thon 4—6 pm	13 7 pm Island Neighborhood Watch	14
15	16	17 Black Nurses Health Screening Shipsshape 3—5	18 B.H. Month Cele- brates Financial Man- agement Bi-Monthly Com- munity Meeting	19 Book Mobile Boys & Girls Club Art Activity 4—6 pm Parents Action Grant Shipsshape 3—5 pm	20	21 11 am Treasure Island History Day
22	23	24	25	26 Book Mobile Boy & Girls Club	27 TTHDI and CCYO '70's Retro Funk	28



Mayor Gavin Newsom
Owen Stephens, President Treasure Island Development Authority
Mirian Saez, Director of Island Operations

This calendar was produced with the assistance of Good Neighbors of Treasure Island/Yerba Buena Island, a community group





TICAB/ADMSVC/SFGOV
Sent by: Andrea
Bruss/MAYOR/SFGOV

01/26/2009 06:10 PM

To jetodco@todco.org, mirian.saez@sfgov.org,
marc.mcdonald@sfgov.org, Tom
Evans/REDEV/SFGOV@SFGOV,

cc

bcc

Subject Notice of Meeting Cancellation - February TI-YBI CAB

NOTICE OF MEETING CANCELLATION

Please note that the February 3rd meeting of the Treasure Island/ Yerba Buena Island Citizens Advisory Board (CAB) has been cancelled.

The next meeting is scheduled for March 3rd, 2009, at 6:00 at San Francisco City Hall, room 305. 1 Dr. Carlton B. Goodlett Pl, San Francisco, Ca, 94102

Please contact Andrea Bruss at (415)554-6661 with any questions.

MEETING AGENDAS AVAILABLE ON E-MAIL

If you would like to receive TICAB meeting agendas by e-mail, please send your name and e-mail address to TICAB@sfgov.org.

Disability Access

The Treasure/Yerba Buena Island Citizen Advisory Board meets on Treasure Island in Building 442, City Hall, 1 Dr. Carlton Goodlett Place or at the San Francisco Redevelopment Agency. All buildings are accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 or 274-0660 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site <http://www.sfgov.org/ethics/>.

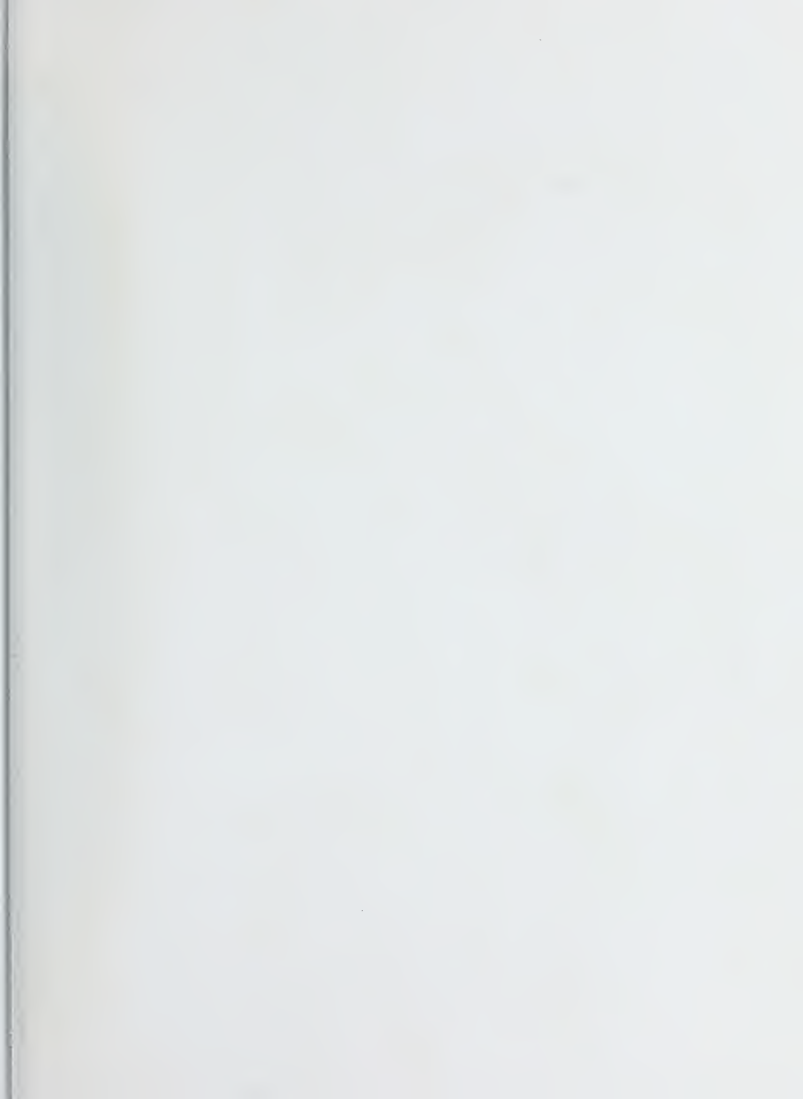
Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

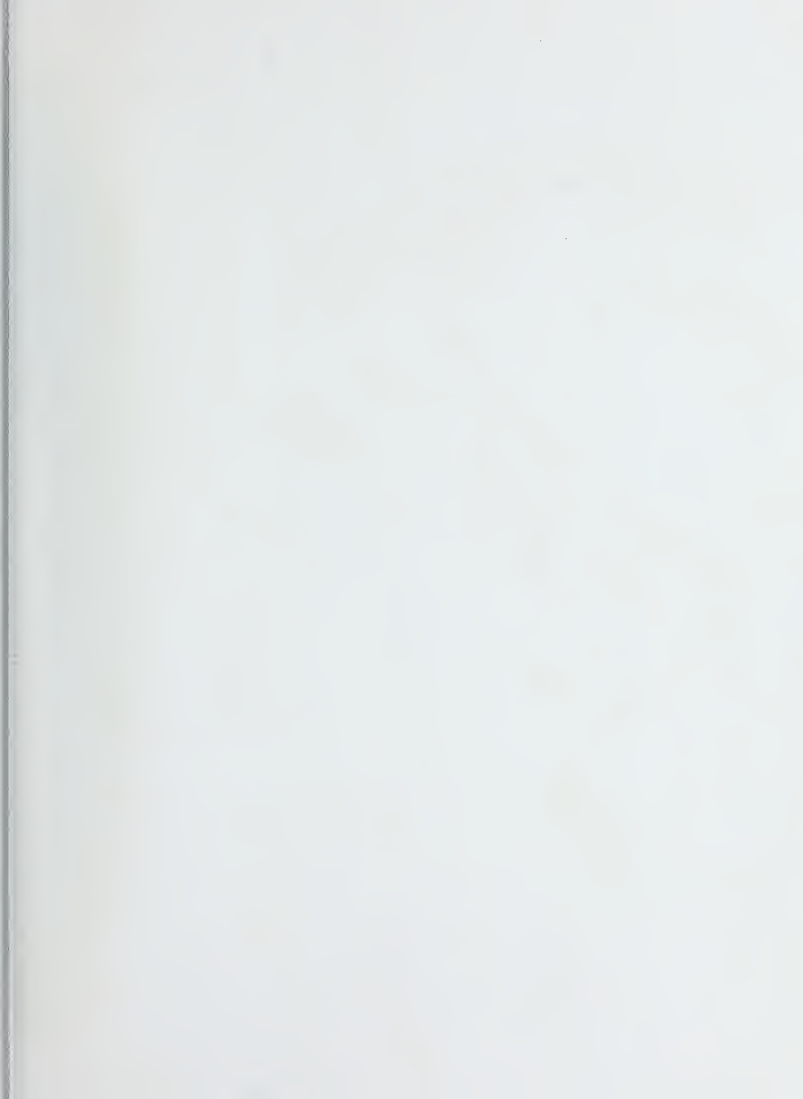
For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.



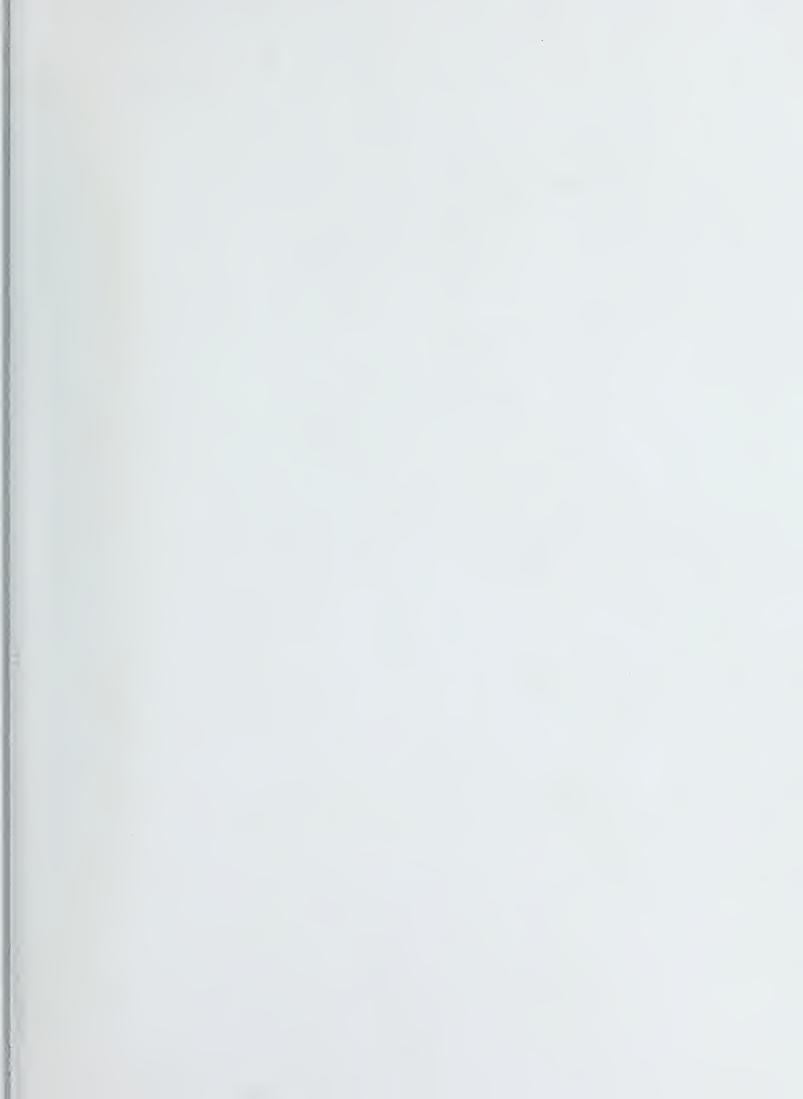
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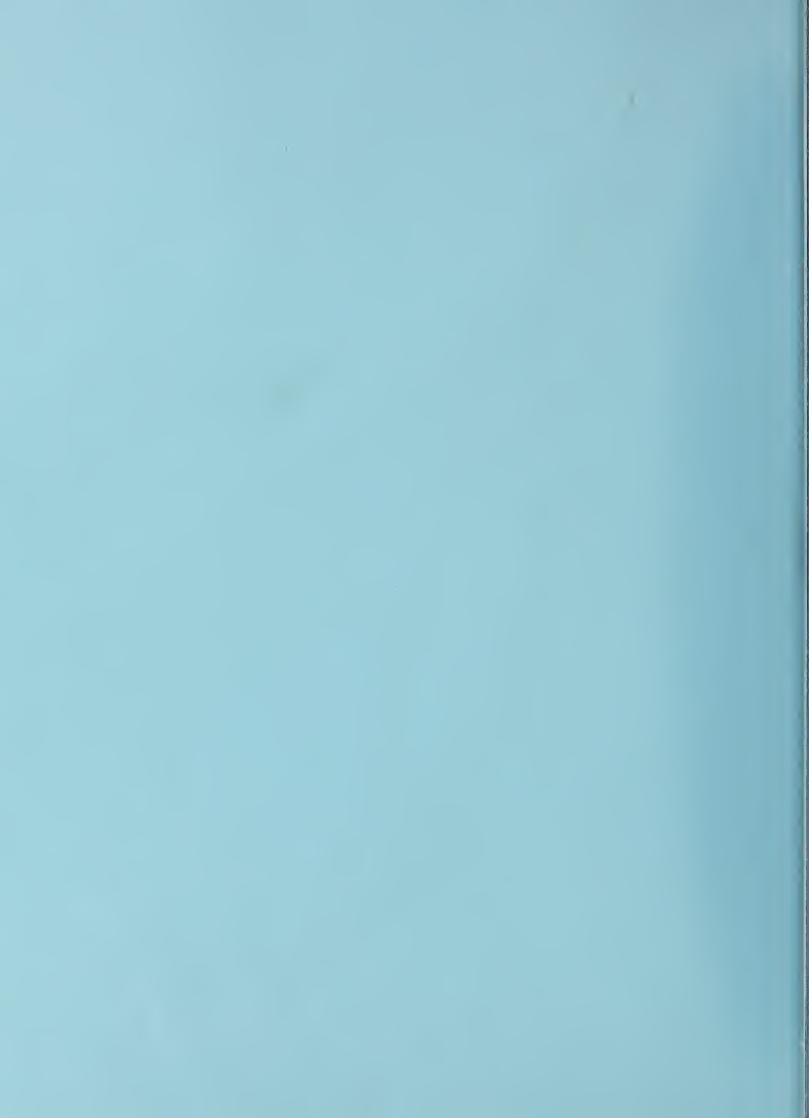












AGENDA ITEM 8B
Treasure Island Development Authority
City and County of San Francisco
Meeting of February 11, 2009

Subject: Resolution Retroactively Approving and Authorizing the Execution of a First Amendment to Sublease No. 24 with Boys & Girls Clubs of San Francisco, Inc. for approximately 11,535 square feet of classroom space at Buildings 33A, B, and C at Former Treasure Island Elementary School – 401-13th Street, Treasure Island

Contact Richard A. Rovetti, Deputy Director of Real Estate
Phone 415-274-3365

BACKGROUND

The Boys & Girls Clubs of San Francisco, Inc. ("BGCSF"), a California nonprofit corporation, has operated a Club at the Treasure Island Elementary School since the summer of 2000. The Treasure Island Club is open 3pm to 7pm Monday through Friday during the school year, 8am to 6pm in the summer and during holiday breaks, and Saturdays once a month from 12:30pm to 5pm. The Treasure Island Club served over 200 children in the Calendar Year ending 2007 with an average daily attendance of 50 to 60 children. The facility has three full-time and two part-time staff members and three paid tutors. Core programs include daily homework completion and academic tutoring; literacy, math and science enhancement programs; financial literacy; community service and leadership clubs; sports instruction; inter-city sports leagues; nontraditional fitness activities; fine arts and crafts; age and gender specific health and life skills programs; social recreation and games; and technology.

Under the Sublease dated December 1, 2007, between the Authority and BGCSF, BGCSF subleases the following property (the "Initial Premises") for a month-to-month term that commenced on December 1, 2007 and expired on November 30, 2008: approximately 7,575 square feet of classroom space at Buildings 33 A and B at the Former Treasure Island Elementary School - 401 13th Street, Treasure Island. Under the proposed First Amendment to Sublease ("First Amendment"), BGCSF is requesting (i) an extension of the month-to-month term commencing retroactively on December 1, 2008 and ending on November 30, 2009; and (ii) an expansion of the Initial Premises to include approximately 3,960 square feet of classroom space located at Building 33 C, Treasure Island ("Additional Premises").

SUBLEASE TERMS AND CONDITIONS

BGCSF will sign the Authority's standard form Amendment to Sublease document. The salient terms and conditions of the proposed First Amendment include the following:

Premises: Approximately Eleven Thousand Five Hundred and Thirty Five (11,535) square feet of classroom space located at Buildings 33 A, B and C at the Former Treasure Island Elementary School - 401

13th Street, Treasure Island, San Francisco, California, comprised of the Initial Premises consisting of approximately Seven Thousand Five Hundred and Seventy Five (7,575) square feet of classroom space located at Buildings 33 A and B and the Additional Premises consisting of approximately Three Thousand Nine Hundred and Sixty (3,960) square feet of classroom space located at Building 33 C as more particularly shown on Exhibit B, attached hereto including the improvements thereon.

Location: Former Treasure Island Elementary School - 401 13th Street, Treasure Island

Commencement Date: December 1, 2007

Lease Expiration Date: November 30, 2008

Lease Term: Month-to-Month

Base Rent: Base Rent is waived. Subtenant will pay, as Additional Charges, \$600.00 per month as Subtenant's contribution for expenses paid or incurred by Sublandlord in connection with the ownership, operation, maintenance, repair and management of the common areas, including but not limited to the sidewalks, walkways, driveways, curbs, lighting systems and security services, throughout Treasure Island.

Use: General office and classroom use only and for no other purpose.

Security Deposit: Waived

PROPOSED MONTHLY BASE RENT

Under the Authority's Interim Subleasing Policy, the Minimum Rental Rate Schedule sets ranges of minimum sublease rental rates per square foot by type of use and facility for office and industrial space. Authority Staff reviews and analyzes available commercial data including market comparables of properties similarly situated to the Authority properties and evaluates the Authority transactions over the past 12 months to establish fair market value. The Authority Board last approved the Minimum Rental Rate Schedule in July 2007, by Resolution No. 07-54-07/11. However, when the appraisal was conducted, the former Treasure Island Elementary School was excluded from the properties being appraised because the school was under control of the San Francisco Unified School District.

Authority Staff and BGCSF have negotiated the First Amendment to include Building 33 C to their Premises. BGCSF will use Building 33C for its expanded tutorial and after school programs for Treasure Island youth and teens. Given the community benefits associated with the

services and activities provided by BGCSF, BGCSF will be provided space on Treasure Island at no base rent, subject to the condition that BGCSF will assume all responsibility for maintenance and repairs, and participate in the contribution for expenses paid or incurred by the Authority in connection with the ownership, operation, maintenance, repair and management of the common areas, including but not limited to the sidewalks, walkways, driveways, curbs, lighting systems and security services, throughout Treasure Island. The Authority Board has previously agreed to this arrangement.

FINANCIAL IMPACT

The new First Amendment will provide an increase of approximately \$7,200.00 per year to the Authority's budget.

RECOMMENDATION

The Authority Staff recommends that the Authority Board of Directors retroactively approve the proposed First Amendment to Sublease with the Boys & Girls Clubs of San Francisco, Inc., a California non-profit corporation, and authorize the Director of Island Operations or her designee to execute said First Amendment for approximately 11,535 square feet of classroom space located at Buildings 33 A, B and C at the Former Treasure Island Elementary School - 401 13th Street, Treasure Island, for a month-to-month term and subject to the additional terms and conditions set forth above.

EXHIBIT A – First Amendment to Sublease No. 24 between the Treasure Island Development Authority and Boys & Girls Clubs of San Francisco, Inc.

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations



[Sublease with Boys & Girls Clubs of San Francisco, Inc.]

Resolution Retroactively Approving and Authorizing the Execution of a First Amendment to Sublease No. 24 with Boys & Girls Clubs of San Francisco, Inc. for approximately 11,535 square feet of classroom space at Buildings 33A, B, and C at Former Treasure Island Elementary School – 401-13th Street, Treasure Island.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, The Authority wishes to support the Boys & Girls Clubs of San Francisco, Inc., a California nonprofit corporation ("BGCSF" or "Subtenant") in providing after-school and summer activities for school-aged youth on Treasure Island serving over 200 children per year with an average daily attendance of 50 to 60 children; and,

WHEREAS, BGCSF, a subtenant in good standing, provides services to San Francisco youth, families and other San Francisco citizens; and,

WHEREAS, BGCSF and the Authority are parties to the Sublease dated December 1, 2007, for the property (the "Initial Premises") generally described as follows: approximately 7,575 square feet of classroom space located at Buildings 33 A and B at the Former Treasure Island Elementary School - 401 13th Street, Treasure Island; and,

WHEREAS, Under the proposed First Amendment to Sublease ("First Amendment"), BGCSF is requesting (i) an extension of the month-to-month term commencing retroactively on December 1, 2008 and ending on November 30, 2009; and (ii) an expansion of the Initial Premises to include approximately 3,960 square feet of classroom space located at Building 33 C, Treasure Island ("Additional Premises"); and,

WHEREAS, In lieu of Base Rent, BGCSF will pay, as Additional Charges, \$600.00 per month as BGCSF's contribution for expenses paid or incurred by the Authority in connection with the ownership, operation, maintenance, repair and management of the common areas, including but not limited to the sidewalks, walkways, driveways, curbs, lighting systems and security services, throughout Treasure Island; and,

WHEREAS, Although the Authority has not conducted an appraisal of the former Treasure Island Elementary School, Project Staff believes that the public and community benefits provided by BGCSF represents fair market value for this Sublease at this time; now, therefore, be it

RESOLVED, That the Board of Directors hereby retroactively approves the First Amendment to Sublease No. 24 with the Boys & Girls Clubs of San Francisco, Inc., a California nonprofit corporation for approximately 11,535 square feet of classroom space located at Buildings 33 A, B and C at the Former Treasure Island Elementary School - 401 13th Street, Treasure Island, and authorizes the Director of Island Operations or her designee

to execute the First Amendment in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the First Amendment will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the First Amendment are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the First Amendment that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the First Amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on February 11, 2009.

John Elberling, Secretary

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ITEM 8B, EXHIBIT A

FIRST AMENDMENT TO SUBLEASE NO. 24

THIS FIRST AMENDMENT TO SUBLEASE (this "First Amendment"), dated for reference purposes only as of December 1, 2008, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and BOYS & GIRLS CLUBS OF SAN FRANCISCO, INC., a California non-profit corporation ("Subtenant").

RECITALS

A. Sublandlord and Subtenant entered into that certain Sublease dated for reference purposes as of December 1, 2007 (the "Original Sublease"), for approximately seven thousand five hundred and seventy five (7,575) square feet of classroom space located at Buildings 33 A and B at the Former Treasure Island Elementary School - 401 13th Street, Treasure Island, San Francisco, California (the "Initial Premises"), as more particularly described in the Original Sublease. The term of the Original Sublease expires on November 30, 2008.

B. Sublandlord and Subtenant desire to amend the Original Sublease to expand the Initial Premises to (i) include approximately three thousand nine hundred and sixty (3,960) square feet of classroom space located at Building 33 C at the Former Treasure Island Elementary School - 401 13th Street (the "Additional Premises"), (ii) increase the Base Rent accordingly, and (iii) extend the Term, on the terms and conditions set forth in this First Amendment.

C. The Original Sublease and this First Amendment shall collectively be referred to as the "Sublease". All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Sublease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the Sublandlord and Subtenant hereby amend the Sublease as follows:

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.
2. **Effective Date.** The effective date of this First Amendment shall be December 1, 2008 (the "Effective Date").
3. **Premises.** As of the Effective Date, the Premises described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Approximately Eleven Thousand Five Hundred and Thirty Five (11,535) square feet of classroom space located at Buildings 33 A, B and C at the Former Treasure Island Elementary School - 401 13th Street, Treasure Island, San Francisco, California, comprised of the Initial Premises consisting of approximately Seven Thousand Five Hundred and Seventy Five (7,575) square feet of classroom space located at Buildings 33 A and B and the Additional Premises consisting of approximately Three Thousand Nine Hundred and Sixty (3,960) square feet of classroom space located at Building 33 C, all as more particularly shown on Exhibit B attached hereto and made a part hereof. The Initial

Premises and the Additional Premises are collectively referred to in this Sublease as the "Premises".

All references to "Premises" and "Exhibit B" in the Sublease shall mean the Premises described herein and shown on the amended Exhibit B attached to this First Amendment.

4. **Term.** As of the Effective Date, the Term described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Commencement date: December 1, 2007

Expiration date: November 30, 2009

Notwithstanding anything in this Sublease to the contrary, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party."

5. **Base Rent.** As of the Effective Date, the Base Rent described in the Basic Sublease Information of the Sublease shall be amended to read as follows:

"Base Rent is waived. Subtenant will pay, as Additional Charges, \$600.00 per month as Subtenant's contribution for expenses paid or incurred by Sublandlord in connection with the ownership, operation, maintenance, repair and management of the common areas, including but not limited to the sidewalks, walkways, driveways, curbs, lighting systems and security services, throughout Treasure Island"

6. **Counterparts.** This First Amendment may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof.

7. **Full Force and Effect.** Except as specifically amended herein, the terms and conditions of the Sublease shall remain in full force and effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this First Amendment to Sublease at San Francisco, California, as of the date first above written.

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

SUBTENANT:

BOYS & GIRLS CLUBS OF SAN FRANCISCO, INC.
a California non-profit corporation

By: _____

Its: _____

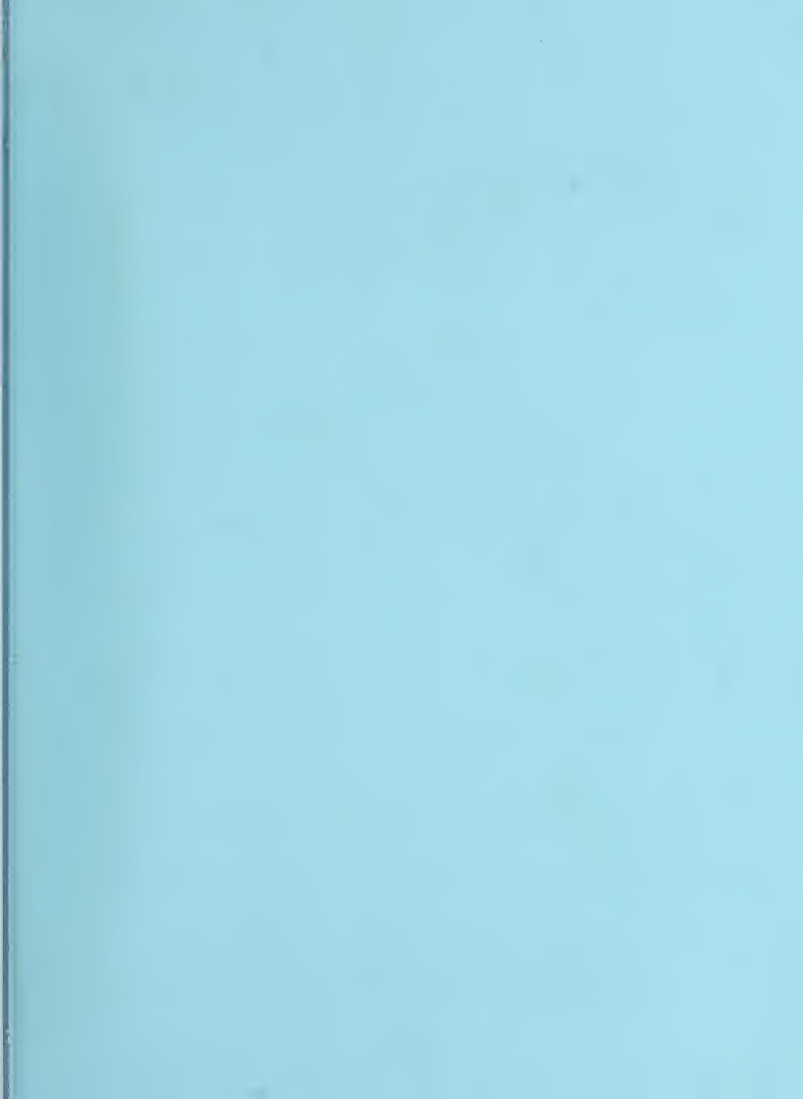
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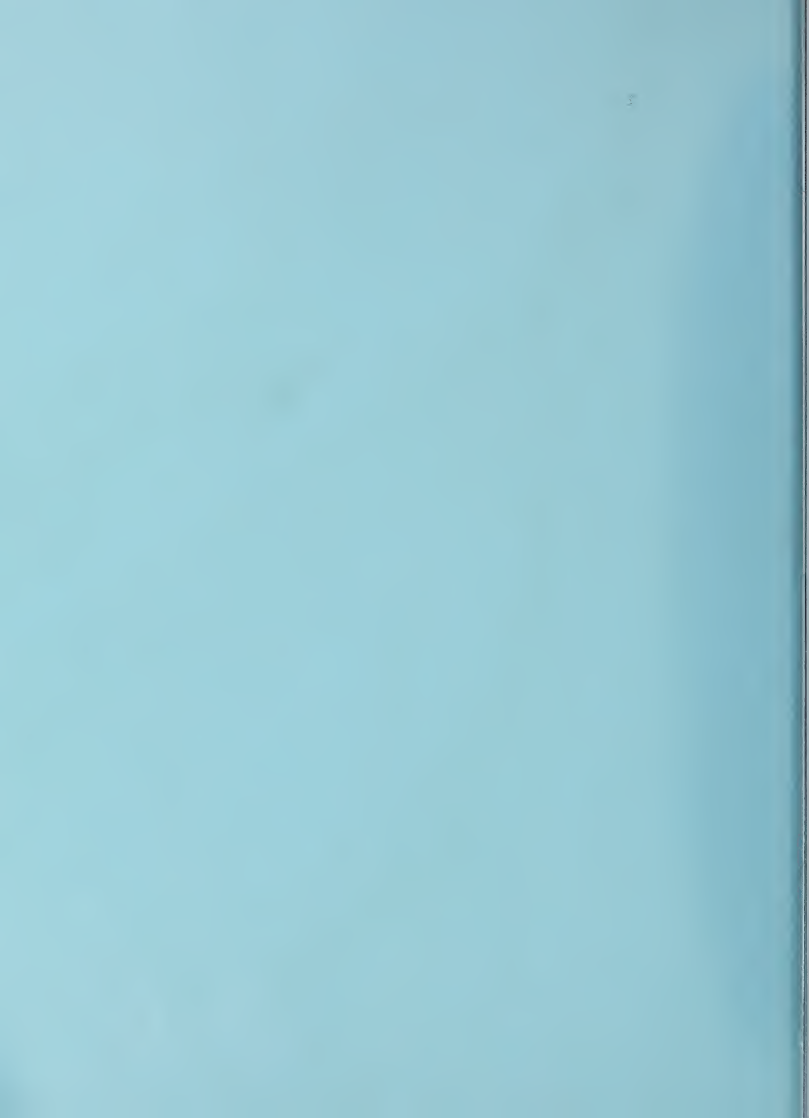
DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

Amendment Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)







AGENDA ITEM 8C
Treasure Island Development Authority
City and County of San Francisco
Meeting of February 11, 2009

Subject: Approval of 2009 Minimum Monthly Rental Rate Schedule

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

During the interim period preceding transfer of the real property from the US Navy to the Treasure Island Development Authority (the "Authority"), the Authority earns operating revenue by subleasing property leased from the US Navy. On July 11, 2007, the Authority Board of Directors (Resolution No. 07-54-07/11) delegated authority to the Director of Island Operations to approve and execute subleases on behalf of the Authority, provided that the terms of said subleases met certain parameters as found in the Authority's Interim Subleasing Policy. Contained within the delegated authority is a schedule of Minimum Monthly Rental Rates for subleases which can be executed by the Director of Island Operations without Authority Board review and approval. The term "sublease" refers to both subleases and use permits for properties listed on the Minimum Monthly Rental Rate Schedule. Such delegated authority can only be executed under the following criteria:

1. The sublease is for a use that is consistent with the permitted use under the applicable Master Lease between the US Navy and the Authority;
2. The sublease is for space included in the current Minimum Monthly Rental Rate Schedule adopted by the Authority Board, and the sublease rent conforms to the Minimum Monthly Rental Rate Schedule;
3. The subtenant executes the Authority's standard form sublease with no alterations except for minor changes approved by the City Attorney or changes in insurance approved by the City Risk Manager;
4. The sublease term does not exceed month-to-month and is no greater than the term provided the Authority in its Master Lease with the US Navy; and
5. The sublease may include one month of free rent for Early Entry for the construction of tenant improvements prior to the commencement of the term.

The Authority's Interim Subleasing Policy describes how all subleasing and sublease renewals shall be conducted utilizing a standardized procedure with the objective of ensuring transparency in the terms and conditions of all transactions and agreements with third parties, and the resulting outcome being that of a streamlined subleasing procedure. The Interim Subleasing Policy

provides for a periodic update of the Minimum Monthly Rental Rate Schedule. The Minimum Monthly Rental Rate Schedule sets the minimum sublease rental rates per square foot by type of use and facility.

During the past 12 months, demand for space on Treasure Island has remained high relative to the balance of San Francisco. Recent leasing activity has lowered the Authority's inventory of available warehouse, industrial and office space.

Authority staff has reviewed the existing appraisal report prepared by Carmeghi-Blum & Partners, Inc., as well as available commercial data including comparables of similarly situated to that of Treasure Island, and has evaluated Authority transactions over the past year. The data demonstrates that the Authority's current Minimum Monthly Rental Rate Schedule is in line with current market conditions given the extraordinary limiting conditions of the properties and sublease terms. Moreover, Authority staff continues to have the ability to negotiate higher rates than those found in the Minimum Monthly Rental Rate Schedule.

PROPOSED ADDITIONS TO 2009 MINIMUM MONTHLY RENTAL RATE SCHEDULE

Authority staff proposes to add Buildings 41, 261, 384, 401, and 530 to the Minimum Monthly Rental Rate Schedule to be consistent with Navy Master Lease amendments that added these buildings to the portfolio of properties that the Authority leases from the Navy. Additionally, staff proposes to remove references to field space at California Avenue, Field E, Field F, Field H, Field I, Great Lawn and Rugby from the Minimum Monthly Rental Rate Schedule and replace them with new categories for paved and unpaved land to better capture improved and unimproved property on Treasure Island. Lastly, staff proposes to remove the Photo Booth on the causeway from the Minimum Monthly Rental Rate Schedule as this facility was demolished in December 2008.

RENEWALS OF EXISTING SUBLEASES

The Interim Subleasing Policy allows for renewals of existing subleases at rental rates adjusted between 2% and 5% based on the change in the local Consumer Price Index, as well as general and local market conditions. In addition, the Minimum Monthly Rental Rate Schedule includes a list of existing subleases that the Authority Board reviewed and approved in 2008 because they were not consistent with the parameters set forth in the Interim Subleasing Policy. Authority staff proposes to extend the existing subleases listed on the Minimum Monthly Rental Rate Schedule on a month to month basis through November 30, 2009 at a rental rate no less than the current rent payable under each existing sublease and otherwise on the same terms and conditions set forth in the existing subleases.

RECOMMENDATION

The Authority staff recommends that the Authority Board approve the proposed Minimum Monthly Rental Rate Schedule for 2009 attached hereto as Exhibit A. Upon adoption of this amended Minimum Monthly Rental Rate Schedule, the Director of Island Operations will be

authorized to enter into subleases and extensions of existing subleases without specific Treasure Island Development Authority Board approval of each sublease or extension, provided that: (i) the sublease or extension conforms to all the approved subleasing parameters; or (ii) if the extension is for a sublease previously approved by the Authority Board, the term of the month to month extension will expire on November 30, 2009, the rental rate is no less than the current rent payable by such subtenant, and the extension is otherwise on all of the terms and conditions of the existing sublease approved by the Authority Board. Authority staff would not be authorized to enter into subleases or extensions of existing subleases at rental rates below those adopted or on terms and conditions that are not consistent with the parameters in the Interim Subleasing Policy without specific authorization from the Treasure Island Development Authority Board of Directors.

EXHIBIT:

EXHIBIT A – 2009 Minimum Monthly Rental Rate Schedule

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations



FILE NO. _____

[Interim Subleasing Policy]

Resolution Approving the 2009 Minimum Monthly Rental Rate Schedule.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On March 11, 1998, pursuant to Resolution No. 98-10-3/11, the Board of Directors of the Treasure Island Development Authority adopted The "Treasure Island Development Authority Rules and Procedures for Transfer and Use of Real Property" (the

"Rules and Procedures"), which establish the specific rules and procedures for the transfer of all or any portion of the real property located on the closed Naval Base Treasure Island; and,

WHEREAS, On July 11, 2007, the Authority Board of Directors (Resolution No. 07-54-07/11) approved an Interim Subleasing Policy which standardizes the subleasing process for the interim month to month subleases while assuring that there is consistency, transparency and full disclosure to the Authority and the public by the use of a pre-approved body of subleasing parameters that include a boilerplate sublease, business terms and minimum rental rates to guide Project Staff in sublease negotiations while assuring compliance with Board policy; and,

WHEREAS, Under the Interim Subleasing Policy, the Director of Island Operations may approve and execute subleases on behalf of the Authority, provided that the terms of said subleases meet certain parameters as found in the Authority's Interim Subleasing Policy; and,

WHEREAS, The Interim Subleasing Policy provides for a periodic update of the Minimum Monthly Rental Rate Schedule in order to assure the Minimum Monthly Rental Rate Schedule is in line with current market conditions; and,

WHEREAS, The Minimum Monthly Rental Rate Schedule also includes a list of existing subleases (the "Non-Parameter Subleases") that the Authority Board approved in 2008 because they did not fall within the parameters set forth in the Interim Subleasing Policy for subleases that can be executed by the Director of Island Operations without Authority Board approval; and,

WHEREAS, Authority staff proposes to extend the existing Non-Parameter Subleases listed on the Minimum Monthly Rental Rate Schedule on a month to month basis through November 30, 2009 at a rental rate no less than the current rent payable under each existing

ublease and otherwise on the same terms and conditions set forth in the existing Non-Parameter Subleases; and,

WHEREAS, Authority staff proposes to add Buildings 41, 261, 384, 401, and 530 to the 2009 Minimum Monthly Rental Rate Schedule to be consistent with Navy Master Lease amendments that added these buildings to the portfolio of properties that the Authority leases from the Navy; and,

WHEREAS, Authority proposes to remove references to field space at California Avenue, Field E, Field F, Field H, Field I, Great Lawn and Rugby from the Minimum Monthly Rental Rate Schedule and replace them with new categories for pier space, paved and unpaved land to better capture improved and unimproved property on Treasure Island; Now, Therefore, Be It

RESOLVED, That the Authority Board approves and adopts the 2009 Minimum Monthly Rental Rate Schedule in substantially the form attached as Exhibit A; and Be It,

FURTHER RESOLVED, That the 2009 Minimum Monthly Rental Rate Schedule supersedes the Minimum Monthly Rate Schedule adopted by the Authority Board on March 11, 1998, pursuant to Resolution No. 98-10-3/11, which shall have no further effect on the terms, conditions, rules and procedures for subleasing properties on the Base; and, Be It

FURTHER RESOLVED, That the Authority Board authorizes the Director of Island Operations to execute amendments to the existing Non-Parameter Subleases to extend the month to month term through November 30, 2009 at a rental rate no less than the current rent payable under each Non-Parameter Sublease and otherwise on the same terms and conditions set forth in the existing Non-Parameter Subleases.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on February 11, 2009.

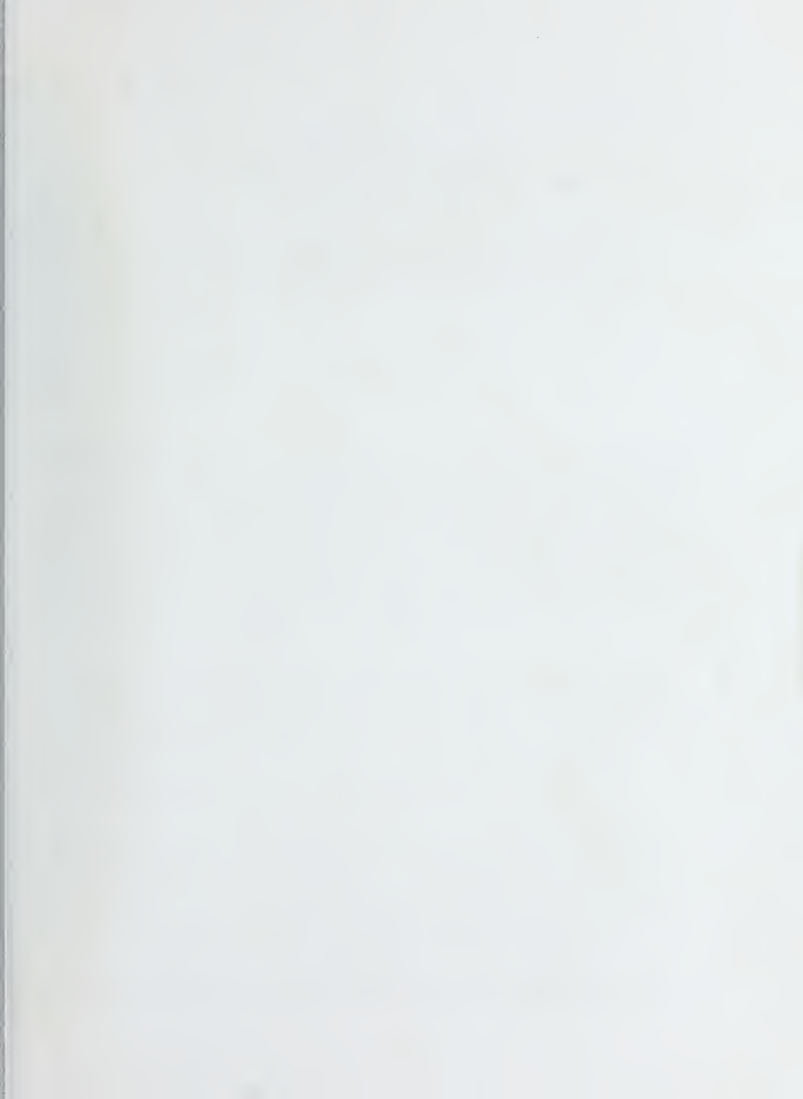
John Elberling, Secretary

Item 8C, Exhibit A
2009 Minimum Monthly Rental Rate Schedule

Building No.	Name	Highest and Best Use	Minimum Rental Rate psf
1	Administrative Building	Office	\$0.75
2	Hangar 2	Industrial	\$0.15
3	Hangar 3	Industrial	\$0.10
34	Commissary	Industrial	\$0.25
41	Building 41	Office/storage	\$0.25
62	Building 62	Industrial - Occupied Portion	\$0.41
69	Shed	Industrial	\$0.20
140	Nimitz Conference Center	Office - Commercial Assembly	\$0.25
146	Gatehouse	Retail	\$1.25
180	Building 180	Industrial	\$0.25
183	Café	Retail	\$1.25
201	Navy Exchange	Industrial	\$0.20
216	RV Storage	Industrial	\$0.10
229	Club House (Life Learning)	Office - Commercial Assembly	\$0.50
258	Post Office	Industrial	\$0.05
261	Bowling Alley	Recreation/Industrial	\$0.05
292	Warehouse	Industrial	\$0.10
298	Yacht Club	Office - Commercial Assembly	\$0.50
330	Gas Station	Industrial	\$0.05
384	Building 384	Industrial	\$0.25
401	Theater	Assembly / Industrial	\$0.05
530	Building 530	Industrial	\$0.25
670	Brig	Industrial	\$0.25
671	Carpentry Shop	Industrial	\$0.35
Paved Land/ Pier space		\$0.10	
Unpaved Land		\$0.05	

**Existing Subleases Previously Approved by
Authority Board of Directors in 2008**

Sublease No.	Subtenant	Use	Resolution No.
4	San Francisco Gaelic Athletic Association	Athletic Field	08-05-02/13
11	SFPD Behavioral Sciences Unit	Office Counseling	08-14-04/09
13	San Francisco Gaelic Athletic Association	Athletic Field	08-65-10/22
15	New Cingular Wireless PCS, LLC	Cell Site	08-17-04/09
18	SFPD Motorcycle Solo Unit	Office Training	08-15-04/09
21	Treasure Island Homeless Development Initiative	Office	08-46-09/18
23	Treasure Island Sailing Center Foundation	Sailing Center	08-48-09/18
28	Glide Foundation, Inc.	Classroom	08-04-02/13
30	Treasure Island Homeless Development Initiative	Land	08-47-09/18
31	Kidango	Childcare	08-44-09/18
50	The San Francisco Fog Rugby Club, Inc.	Athletic Field	08-32-06/11
51	San Francisco Little League, Inc.	Athletic Field	08-39-07/09
52	San Francisco Little League, Inc.	Athletic Field	08-40-07/09



AGENDA ITEM 9
Treasure Island Development Authority
City and County of San Francisco
Meeting of February 11, 2009

Subject: Resolution Approving and Authorizing the Execution of a Sublease with Wine Valley, Inc., a California corporation doing business as TI Pies, for Parcel A: approximately 640 square feet of restaurant space located at Building 183; and Parcel B: approximately 2,500 square feet of land adjacent to Building 183, Treasure Island

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

Wine Valley, Inc., a California corporation doing business as TI Pies (hereafter referred to as "Wine Valley"), is currently a member of the joint venture with Treasure Island Homeless Development Initiative ("TIHDI"), and Toolworks, and manages the catering operations for special events on Treasure Island, namely at the Casa de la Vista, the Library, the Chapel, the Fogwatch Picnic Area, and the Lobby of the Main Administration Building. The Joint Venture has successfully provided employment and job training to homeless, at risk and/or disabled residents while increasing event rental revenues for the Treasure Island Development Authority (hereafter referred to as the "Authority"). Wine Valley also subleases office space in Building One and is a subtenant in good standing.

On November 21, 2008, project staff issued a Request for Qualifications ("RFQ") for parties interested in operating a full service restaurant and bar at Building 183, the Café. Individuals who had previously expressed an interest in operating a restaurant were informed by letter of the opportunity. Staff also published notice of issuance of the RFQ in the San Francisco Chronicle and posted the RFQ on the Treasure Island website. The objective of the RFQ was to identify an operator with demonstrated ability to successfully serve the Treasure Island community, commercial tenants, housing providers, as well as island visitors.

Building 183 is a 640 square foot building located south of the Administration Building on Treasure Island. It overlooks Clipper Cove and has a clear view of the San Francisco skyline from its enclosed patio. Adjacent to the Building is a 2,500 square foot parcel of land that is suitable for use as an outdoor patio or lounge area. Building 183 has been operated as a café. First, Life Learning Academy, a Delancey Street Charter School, and later Treasure Island Job Corps used the café for work study opportunities for youth in culinary training programs.

On December 23, 2008, the deadline for RFQ submittals, the Authority received one response. The response was submitted by Wine Valley. The initial response submitted by Wine Valley

was unclear with respect to experience. Therefore, in accord with Section 5 (c) of the RFQ, Authority staff requested clarifications to the submittal.

On January 16, 2009, Wine Valley submitted clarifications to their initial submittals. For over ten years, Wine Valley has had a continuing business relationship with Best Beverage Company ("BBC") whereby BBC provides Wine Valley with all beverage and alcohol, and ABC licensing and permits for their special events. Under TI Pies, Wine Valley and BBC have expanded their business relationship to include operating a full service restaurant and bar in Building 183. Under their agreement, BBC will provide operation services and Wine Valley will provide culinary expertise in the day to day operations.

Based on a review of the initial and clarified submittals, Authority staff determined that Wine Valley is qualified to operate and manage a full service restaurant and bar on Treasure Island. The theme of the restaurant and bar is Pizza, with prices ranging from \$6.00 to \$9.00 with toppings ranging from \$1.00 to \$2.00. Finger food appetizers, hot and cold sandwiches and salads are available. Beverages ranging from \$2.00 for coffee to \$8.00 for mixed drinks are also available.

Project staff and Wine Valley have negotiated a month-to-month Sublease for Parcel A: approximately 640 square feet of restaurant space located at Building 183; and Parcel B: approximately 2,500 square feet of land adjacent to Building 183 effective February 12, 2009. Wine Valley will assume all responsibility for all associated expenses including marketing, utilities, maintenance, and janitorial of this facility. Consistent with other subleases for Treasure Island, the Sublease will be for a month to month term expiring on November 30, 2009. Any Sublease extensions will be subject to Authority Board approval in its sole and absolute discretion.

SUBLEASE TERMS AND CONDITIONS

The salient terms and conditions of the proposed Sublease include the following:

Premises:	Parcel A: approximately 640 square feet of restaurant space located at Building 183; and Parcel B: approximately 2,500 square feet of land adjacent to Building 183, Treasure Island, San Francisco, CA
Location:	Building 183
Commencement Date:	February 12, 2009
Lease Expiration Date:	November 30, 2009
Lease Term:	Month-to-Month

Early Entry:	Commencing February 12, 2009 and ending April 30, 2009, the Subtenant shall be provided seventy-eight (78) days of Early Entry for the sole purpose of installing equipment. During the Early Entry period, Subtenant shall not pay Base Rent but shall be subject to all other terms and conditions set forth in the Sublease.
Base Rent:	Commencing May 1, 2009, Monthly Base Rent shall be the greater of (i) Eight Hundred Dollars (\$800.00) (\$1.25 per square foot) or (ii) Seven Percent (7%) of Gross Food and Beverage Sales Revenues (as defined in Section 5.1 of the Sublease, as amended by Section 1 of the Addendum to Sublease)
Use:	Operation of a full service restaurant serving the general population of visitors and residents of Treasure and Yerba Buena Islands. A full menu, including Breakfast, Lunch and Dinner, will be served daily from 10:00 AM to 10:00 PM.
Alterations:	Subtenant, at its sole cost and expense, shall cause the renovation of Building 183, provide kitchen facilities, and install a new outside seating area in accordance with plans and specifications mutually agreed upon by the parties
Security Deposit:	\$1,600.00
Approval of BBC Agreement:	The Sublease between Wine Valley and the Authority will give the Authority the right to approve the agreement between BBC and Wine Valley relating to BBC's provision of beverage and other services relating to the operation of the restaurant, which agreement shall contain insurance, indemnity and release provisions for the benefit of the Authority on the same terms as provided in Sections 16 and 17 of this Sublease.

PROPOSED MONTHLY BASE RENT

Under the Authority's Interim Subleasing Policy, the Rental Rate Schedule sets minimum rental rates per square foot by type of use and facility for office and industrial space. Project staff reviews and analyzes available commercial data including market comparables of properties similarly situated to the Authority properties and evaluates the Authority transactions over the past 12 months to establish fair market value. The Authority Board last approved the Rental Rate Schedule in July 2007, by Resolution No. 07-54-07/11. Per the Schedule, the minimum monthly rental rate for space at Building 183 is \$1.25 PSF. Project staff and Wine Valley have negotiated a Sublease with a minimum monthly base rental rate of \$1.25 per square foot that is consistent with the established Minimum Rental Rate Schedule set by the Authority Board of Directors.

BUDGET IMPACT

The new Sublease will provide an increase of approximately \$9,600.00 per year to the Authority's budget.

RECOMMENDATION

Project staff recommends that the Authority Board of Directors approve the proposed Sublease with Wine Valley Catering, Inc., doing business as TI Pies for the operation of a full service restaurant and bar, and authorize the Director of Island Operations or her designee to execute said Sublease for Parcel A: approximately 640 square feet of restaurant space located at Building 183; and Parcel B: approximately 2,500 square feet of land adjacent to Building 183, Treasure Island for a month-to-month term and subject to the additional terms and conditions set forth above.

EXHIBIT A – Sublease between the Treasure Island Development Authority and Wine Valley, Inc., a California corporation, dba TI Pies

EXHIBIT B – Wine Valley, Inc.'s Proposal for Building 183

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

[Sublease for Building 183]

Resolution Approving and Authorizing the Execution of a Sublease with Wine Valley, Inc., a California corporation doing business as TI Pies, for Parcel A: approximately 640 square feet of restaurant space located at Building 183; and Parcel B: approximately 2,500 square feet of land adjacent to Building 183, Treasure Island

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, On November 21, 2008, project staff issued a Request for Qualifications ("RFQ") for parties interested in operating a full service restaurant and bar at Building 183, the Café, with the objective of identifying an operator with demonstrated ability to successfully operate a full service restaurant and bar to serve the Treasure Island community, commercial tenants, housing providers, as well as island visitors; and,

WHEREAS, On December 23, 2008, the deadline for RFQ submittals, Wine Valley, Inc., doing business as TI Pies ("Wine Valley"), was the sole respondent to the RFQ; and,

WHEREAS, In accord with Section 5 (c) of the RFQ, Authority staff requested clarifications to the submittal; and,

WHEREAS, On January 16, 2009, Wine Valley submitted clarifications to their initial submittals and based on a review of initial and clarified submittals staff has determined that Wine Valley is qualified to operate and manage a full service restaurant and bar on Treasure Island; and,

WHEREAS, The Authority and Wine Valley have negotiated a month-to-month Sublease for Parcel A: approximately 640 square feet of restaurant space located at Building 183; and Parcel B: approximately 2,500 square feet of land adjacent to Building 183 effective February 12, 2009; and,

WHEREAS, Wine Valley will pay a Monthly Base Rent that is the greater of (i) Eight Hundred Dollars (\$800.00) (\$1.25 per square foot) or (ii) Seven Percent (7%) of Gross Food and Beverage Sales Revenues; and,

WHEREAS, As part of its Sublease obligations, Wine Valley at its sole cost and expense, shall cause the renovation of Building 183, provide kitchen facilities, and install a new outside seating area in accordance with plans and specifications mutually agreed upon by the parties, and will assume all responsibility for all associated expenses including marketing, utilities, maintenance, janitorial, and landscaping of this facility; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the Sublease with Wine Valley for Parcel A: Building 183; and Parcel B: approximately 2,500 square feet of land adjacent thereto and authorizes the Director of Island Operations or her designee to execute said Sublease in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Sublease will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Sublease are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Sublease that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Sublease, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on February 11, 2009.

John Elberling, Secretary

1. The first part of the paper is devoted to the study of the properties of the function

$$f(x) = \sum_{n=0}^{\infty} \frac{a_n}{n!} x^n$$

where a_n are the coefficients of the power series.

2. In the second part, we consider the case when the coefficients

$$a_n = \frac{1}{n!}$$

are chosen in such a way that the function $f(x)$ is

$$f(x) = e^x$$

and we study the properties of the function

$$g(x) = \sum_{n=0}^{\infty} \frac{a_n}{n!} x^n$$

where a_n are the coefficients of the power series.

$$f(x) = \sum_{n=0}^{\infty} \frac{a_n}{n!} x^n$$

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ITEM 9, EXHIBIT A

SUBLEASE No. 116

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

WINE VALLEY, INC.

**a California corporation doing business as
TI PIES**

as Subtenant

For the Sublease of

Building 183

**Treasure Island Naval Station
San Francisco, California**

February 12, 2009

TREASURE ISLAND SUBLEASE

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LIST OF EXHIBITS:

EXHIBIT A – Master Lease
EXHIBIT B – Diagram of Premises
EXHIBIT C – Cover Page of Seismic Report
EXHIBIT D – Rules and Regulations
EXHIBIT E – Utilities
EXHIBIT F – TIHDI Work Force Hiring Plan

ADDENDUM TO SUBLEASE

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated for reference purposes only as of February 12, 2009, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and WINE VALLEY, INC., a California corporation doing business as TI PIES ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease dated September 4, 1998 as amended from time to time (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord certain real property located on Treasure Island Naval Station (the "Property"), as more particularly described in the Master Lease.

B. Subtenant desires to sublet from Sublandlord, and Sublandlord is willing to sublet to Subtenant, a portion of the Property on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. BASIC SUBLEASE INFORMATION

The following is a summary of basic sublease information (the "Basic Sublease Information"). Each item below shall be deemed to incorporate all of the terms of this Sublease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Sublease, the more specific provision shall control.

Sublease Reference Date: February 12, 2009

Sublandlord: TREASURE ISLAND DEVELOPMENT
AUTHORITY, a California public benefit
corporation

Subtenant: WINE VALLEY, INC., a California
corporation doing business as TI PIES

Subleased Premises (Section 2.1):	Parcel A: approximately 640 square feet of restaurant space located at Building 183; and Parcel B: approximately 2,500 square feet of land adjacent to Building 183, Treasure Island, San Francisco, CA, as more particularly shown on <u>Exhibit B</u> , attached hereto.
Facility:	Building 183
Term: (Section 4.1):	Commencement date: February 12, 2009 Expiration date: November 30, 2009 Notwithstanding anything in this Sublease to the contrary, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.
Base Rent (Section 5.1):	Early Entry: Commencing February 12, 2009 and ending April 30, 2009, the Subtenant shall be provided seventy-eight (78) days of Early Entry for the sole purpose of installing equipment. During the Early Entry period, Subtenant shall not pay Base Rent but shall be subject to all other terms and conditions set forth in the Sublease. Commencing May 1, 2009, Monthly Base Rent shall be the greater of (i) Eight Hundred Dollars (\$800.00) (\$1.25 per square foot) or (ii) Seven Percent (7%) of Gross Food and Beverage Sales Revenues (as defined in Section 5.1, as amended by Section 1 of the Addendum to Sublease)
Rent Adjustment Date(s) (Section 5.2):	Not Applicable
Rent Increase Percentage (Section 5.2):	Not Applicable

Ten Thousand Dollars (\$10,000)

Security Deposit (Section 19.3):

Notice Address of Sublandlord (Section 21.1):

with a copy to:

Notice Address of Subtenant (Section 21.1):

Wine Valley, Inc.
875 Sousa Lane
Napa, Ca. 94559
Attn: Jack Nathanson
Phone No. (707) 256-2900
Fax No. (707) 256-2906

Notice Address of Master Landlord (Section 21.1):

Department of The Navy
Base Realignment and Closure
Program Management Office West
1455 Frazee Road, Suite 900
San Diego, CA 92108-4310
Fax #: (619) 532-9858

Other Noteworthy Provisions (Addendum to Sublease):

See Addendum to Sublease

2. PREMISES

2.1. Subleased Premises. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises. Subtenant shall have the non-exclusive right to use, together with other subtenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and the Property (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Facility and the Property.

In the event Subtenant uses or occupies space outside the Premises without the prior written consent of Sublandlord (the "Encroachment Area"), then upon written notice from Sublandlord ("Notice to Vacate"), Subtenant shall immediately vacate such Encroachment Area and pay as additional rent for each day Subtenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Sublandlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for such Encroachment Area, as reasonably determined by Sublandlord (the "Encroachment Area Charge"). If Subtenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Sublandlord of the Encroachment Area Charge be deemed a consent by Sublandlord to the use or occupancy of the Encroachment Area by Subtenant or a waiver (or be deemed as waiver) by Sublandlord of any and all other rights and remedies of Sublandlord under this Sublease (including Subtenant's obligation to indemnify, defend and hold Sublandlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

In addition to the foregoing amount, Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Two Hundred Dollars (\$200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Sublandlord determines during subsequent inspection(s) that Subtenant has failed to vacate the Encroachment Area, then Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Three Hundred Dollars (\$300.00) for each additional Notice to Vacate, if applicable, delivered by Sublandlord to Subtenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to

Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Sublandlord will incur by reason of Sublandlord's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Subtenant's failure to comply with the applicable Notice to Vacate and Sublandlord's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights and remedies of Sublandlord under this Sublease, at law or in equity. The amounts set forth in this Section 2.1 shall be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area.

In addition to the rights and remedies of Sublandlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and exculpation provision set forth in Section 16 below shall also apply to Subtenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Subtenant shall additionally indemnify, defend and hold Sublandlord harmless from and against any and all loss or liability resulting from delay by Subtenant in so surrendering the Encroachment Area including, without limitation, any loss or liability resulting from any claims against Sublandlord made by any tenant or prospective tenant founded on or resulting from such delay and losses to Sublandlord due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: _____ Sublandlord _____ Subtenant

2.2. As Is Condition of Premises.

(a) **Inspection of Premises.** Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Subtenant's Agents"), of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) **As Is; Disclaimer of Representations.** Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition,

without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) **Seismic Report.** Without limiting Section 2.2(b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions*," prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

3. COMPLIANCE WITH MASTER LEASE

3.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein.

3.2. Performance of Master Landlord's Obligations. Sublandlord does not assume the obligations of Master Landlord under the Master Lease. With respect to work, services, repairs, restoration, the provision of utilities or HVAC services, or the performance of any other obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting, restoration, the provision of utilities or HVAC services, or the performance of any of Master Landlord's obligations under the Master Lease.

3.3. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

3.4. Compliance with Master Lease. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

4. TERM

4.1. Term of Sublease. The term of this Sublease (the "Term") shall commence on the Commencement Date set forth in the Basic Sublease Information, and expire on the Expiration Date set forth in the Basic Sublease Information, unless sooner terminated pursuant to the terms of this Sublease.

4.2. Effective Date. This Sublease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Sublease, (ii) Sublandlord's Board of Director's approval of this Sublease at a duly noticed meeting, if such approval is required, or (iii) the Commencement Date.

4.3. Automatic Termination. If the Master Lease terminates for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

4.4. Termination by Sublandlord. Subtenant's period of occupancy of the Premises is subject to Sublandlord's right to terminate this Sublease as provided herein at such time as Sublandlord determines, in its sole discretion, that the Premises are needed in connection with a

Sublandlord program or project. As used herein, "Sublandlord program or project" shall mean any development or renovation, by public and/or private parties, of the building or land in or on which the Premises are located. In the event of any such development or renovation, Sublandlord shall have the right to terminate this Sublease without liability or expense upon delivery to Subtenant of thirty (30) days prior written notice of such termination. Subtenant agrees and shall be required to surrender possession of the Premises by the end of such thirty (30) day period.

4.5. No Relocation Assistance; Waiver of Claims. Subtenant acknowledges that it will not be a displaced person as that term is defined under the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S.C. 4601 et seq. ("URA"), and that Subtenant will not be entitled to any relocation benefits provided under the California Relocation Act and the URA, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill or other costs related to the termination of Subtenant's Lease and Subtenant's relocation from the Premises. Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, agents, contractors and successors and assigns and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601, et seq.).

Initials: _____ Subtenant

5. RENT

5.1. Base Rent. Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord Base Rent in the amount set forth in the Basic Sublease Information. Base Rent shall be paid to Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 21.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

5.2. Adjustments in Base Rent. If this Sublease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Sublease Information, the Base Rent shall be increased by the Rent Increase Percentage set forth in the Basic Lease Information.

5.3. Additional Charges. In addition to Base Rent, Subtenant shall pay all other charges

related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder, all utility charges, and any amounts other than Base Rent that shall become due and payable by Subtenant under this Sublease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

5.4. Late Charge. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

5.5. Default Interest. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

6. TAXES, ASSESSMENTS AND OTHER EXPENSES

6.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) Payment Responsibility. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) Taxability of Possessory Interest. Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens.** Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information.** Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

6.2. **Evidence of Payment.** Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

7. USE; COVENANTS TO PROTECT PREMISES

7.1. **Subtenant's Permitted Use.** Subtenant may use the Premises for the Permitted Use set forth in the Basic Sublease Information, but for no other purpose without the prior written consent of Sublandlord, which consent may be given or withheld in Sublandlord's sole and absolute discretion.

7.2. **Subtenant's Access to the Premises.** As provided in Section 30 of the Master Lease, Subtenant shall have access to the Premises on a 24-hours per day, seven days a week basis; provided, however, Subtenant shall coordinate such access with the local representative of Master Landlord.

7.3. **Rules and Regulations.** Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time.

7.4. **Easements.** This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"); provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction,

installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

7.5. No Interference with Navy Operations. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Subtenant's use of the Premises in the event of any conflict; provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

7.6. No Unlawful Uses, Nuisances or Waste. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

8. ALTERATIONS

8.1. Alterations. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications for any Alterations approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

8.2. Historic Properties. Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the

improvements or modify the appearance of the exterior of the improvements without Master Landlord's and Sublandlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

8.3. Ownership of Alterations. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 8 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 19 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 8.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

8.4. Subtenant's Personal Property. All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and shall be removed by Subtenant, subject to the provisions of Section 19 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

8.5. Sublandlord's Alterations. Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

9. REPAIRS AND MAINTENANCE

9.1. Subtenant Responsible for Maintenance and Repair. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

9.2. **Utilities.** Sublandlord shall provide the basic utilities and services described in the attached **Exhibit E** (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in **Exhibit E**.

9.3. **Landscaping.** Subtenant shall maintain the exterior landscaping of the Premises in good condition and repair.

9.4. **Janitorial Services.** Subtenant shall provide all janitorial services for the Premises.

9.5. **Pest Control.** Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

9.6. **Trash.** Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as **Exhibit D**. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

9.7. **No Right to Repair and Deduct.** Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

10. LIENS

10.1. **Liens.** Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the

right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

11. COMPLIANCE WITH LAWS

11.1. Compliance with Laws. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq. and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Sublease below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

11.2. Regulatory Approvals.

(a) Responsible Party. Subtenant understands and agrees that Subtenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Sublandlord, City and Master Landlord, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under

each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

11.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

12. ENCUMBRANCES

12.1. Encumbrance By Subtenant. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

13. DAMAGE OR DESTRUCTION

13.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, (ii) is not covered by the insurance described in Section 17 below, (iii) prevents Subtenant from operating the Premises for the purposes stated herein, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, either party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 19 (except for damage caused by a casualty pursuant to which this Sublease may be terminated under this Section 13.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 13.1, then Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 8.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

13.2. No Abatement in Rent. In the event of any damage or destruction to the Premises, and

if neither party terminates this Sublease as provided in Section 13.1 above, there shall be no abatement in the Rent payable hereunder.

13.3. Waiver. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

14. ASSIGNMENT AND SUBLETTING

14.1. Restriction on Assignment and Subletting. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, sublease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion. Subtenant shall provide Sublandlord with a written notice of its intention to Transfer this Sublease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Subtenant shall provide Sublandlord with such information regarding the proposed Transfer as Sublandlord may reasonably request.

14.2. Bonus Rental. If Sublandlord consents to a Transfer of any of Subtenant's interest in or rights with respect to the Premises pursuant to Section 14.1 above, then one hundred percent (100%) of any rent or other consideration payable to Subtenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Sublandlord immediately upon receipt by Subtenant.

15. DEFAULT; REMEDIES

15.1. Events of Default. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) **Failure to Pay Rent.** Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;

(b) **Covenants, Conditions and Representations.** Any failure to perform or comply with any other covenant, condition or representation made under this Sublease; provided, Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such

failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord;

(c) **Vacation or Abandonment.** Any abandonment of the Premises for more than fourteen (14) consecutive days;

(d) **Bankruptcy.** The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted; and

(e) **Notices of Default.** The delivery to Subtenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Subtenant actually cures such default within the specified time period, may, in the sole and absolute discretion of the Authority, be deemed an incurable breach of this Sublease allowing the Authority to immediately terminate this Sublease without further notice or demand to Subtenant.

15.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) **Terminate Sublease and Recover Damages.** The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver.** The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

15.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as

determined by Sublandlord where prior notice by Sublandlord is impractical), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

16. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

16.1. Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or

otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Sublease the Premises to Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 16.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) **In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:**

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

16.2. Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Subtenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) any construction or other work undertaken by Subtenant on or about the Premises; and (f) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease.

17. INSURANCE

17.1. Required Insurance Coverage. Subtenant, at its sole cost and expense, shall maintain, or cause to be maintained, through the Term of this Sublease, the following insurance:

(a) **General Liability Insurance.** Comprehensive or commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than One Million Dollars (\$1,000,000), explosion, collapse and underground (XCU).

(b) **Automobile Liability Insurance.** Comprehensive or business automobile liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Subtenant's activity on the Premises or the Permitted Use.

(c) **Worker's Compensation and Employer's Liability Insurance.** If Subtenant has employees, Worker's Compensation Insurance in statutory amounts with Employer's Liability with limits not less than One Million Dollars (\$1,000,000.00) for each accident, injury or illness, on employees eligible for each.

(d) **Personal Property Insurance.** Subtenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Subtenant for the replacement of Subtenant's personal property.

(e) **Other Coverage.** Such other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

17.2. Claims-Made Policies. If any of the insurance required in Section 17.1 above is provided under a claims-made form of policy, Subtenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Sublease, to the effect that should occurrences during the Term give rise to claims made after termination of this Sublease, such claims shall be covered by such claims-made policies.

17.3. Annual Aggregate Limits. If any of the insurance required in Section 17.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

17.4. Payment of Premiums. Subtenant shall pay the premiums for maintaining all required insurance.

17.5. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Sublandlord and Subtenant (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Facility or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Sublease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

17.6. General Insurance Matters.

(a) All liability insurance policies required to be maintained by Subtenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE DEPARTMENT OF THE NAVY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising under this Sublease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

(b) All insurance policies required to be maintained by Subtenant hereunder shall be issued by an insurance company or companies reasonably acceptable to Sublandlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies required to be maintained by Subtenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Subtenant and Sublandlord. Such notice shall be given in accordance with the notice provisions of Section 21.1 below.

(d) Subtenant shall deliver to Sublandlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Sublandlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Subtenant shall, upon Sublandlord's request, promptly furnish Sublandlord with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days' prior written

notice, Sublandlord may require Subtenant to increase the insurance limits set forth in Section 17.1 above if Sublandlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Subtenant with respect to risks comparable to those associated with the use of the Premises.

(f) Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

(g) Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

18. ACCESS BY SUBLANDLORD

18.1. Access to Premises by Sublandlord.

(a) **General Access.** Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access.** In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) **No Liability.** Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

18.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

19. SURRENDER

19.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 8.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980, et seq., of the California Civil Code or in any other manner allowed by Law.

19.2. No Holding Over. If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises. Subtenant shall have no right to hold over without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. If Sublandlord holds over the Premises or any part thereof after expiration or earlier termination of this Sublease, such holding over shall be terminable upon written notice by Sublandlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Sublease. This Section shall not be construed as Sublandlord's permission for Subtenant to hold over. Acceptance of any holdover Base Rent by Sublandlord following expiration or termination of this Sublease shall not constitute an extension or renewal of this Sublease.

19.3. Security Deposit. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount set forth in the Basic Sublease Information as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies

hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 20.3, Sublandlord shall return such security deposit to Subtenant within forty-five (45) days of the termination of this Sublease.

20. HAZARDOUS MATERIALS

20.1. No Hazardous Materials. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Subtenant agrees that it shall comply, without limiting the foregoing,

with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan, and with the requirements of the environmental protection provisions provided for in Section 13 of the Master Lease.

20.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 20.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 16.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

20.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Subtenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle

fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOSL. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Sublease, Subtenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

21. GENERAL PROVISIONS

21.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Sublease Information. Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 21.1 and applicable Laws, shall be deemed receipt of such notice.

21.2. No Implied Waiver. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

21.3. Amendments. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

21.4. Authority. If Subtenant signs as a corporation, a partnership or a limited liability

company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

21.5. Joint and Several Obligations. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

21.6. Interpretation of Sublease. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

21.7. Successors and Assigns. Subject to the provisions of Section 14, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

21.8. Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the

Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

21.9. Severability. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

21.10. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

21.11. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein.

21.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Sublease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Sublandlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Sublease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an

attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

21.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

21.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

21.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

21.16. Relationship of Parties. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

21.17. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

21.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Sublease.

21.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

21.20. Counterparts. This Sublease may be executed in two or more counterparts, each of

which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

21.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord.

22. SPECIAL PROVISIONS

22.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

22.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's sole expense.

22.3. TIHDI Job Broker. Subtenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

22.4. Local Hiring. Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

22.5. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Covenant Not to Discriminate. In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) Sub-Subleases and Other Subcontracts. Subtenant shall include in all sub-subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such

sub-subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all sub-subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all sub-subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) **Non-Discrimination in Benefits.** Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Sublease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **HRC Form.** As a condition to this Sublease, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, (i) Subtenant executed and submitted to the HRC Form HRC-12B-101 with supporting documentation; and (ii) the HRC approved such form.

(e) **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

22.6. MacBride Principles - Northern Ireland. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning

doing business in Northern Ireland.

22.7. Tropical Hardwood and Virgin Redwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Subtenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Sublease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

22.8. Conflicts of Interest. Subtenant states that it is familiar with the provisions of Section 8.105 and 8.106 of the San Francisco Charter and certifies that it knows of no facts which would constitute a violation of such provisions. Subtenant further certifies that it has made a complete disclosure to the Sublandlord of all facts bearing on any possible interests, direct or indirect, which Subtenant believes any officer or employee of the Sublandlord presently has or will have in this Sublease or in the performance thereof or in any portion of the profits thereof. Willful failure by Subtenant to make such disclosure, if any, shall constitute grounds for the Sublandlord's termination and cancellation of this Sublease.

22.9. Wages and Working Conditions. Subtenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Subtenant provides under this Sublease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

22.10. Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Sublandlord or the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products

or to encourage people not to smoke or to stop smoking.

22.11. Pesticide Prohibition. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Subtenant to submit to Sublandlord an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Sublease, (b) describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as Subtenant's primary IPM contact person with the City. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

22.12. First Source Hiring Ordinance. The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Sublandlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Subtenant shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

22.13. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

22.14. Conflicts of Interest. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the Term of this Sublease, Subtenant shall immediately notify Sublandlord.

22.15. Charter Provision. This Sublease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

22.16. Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Sublease as though fully set forth. The text of the HCAO is available on the web at www.dph.sf.ca.us/HCRes/Resolutions/2004Res/HCRes102004.shtml. Capitalized terms used in this Section and not defined in this Sublease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Subtenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Subtenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Sublease. Sublandlord shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Sublease for violating the HCAO, Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Sublandlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Sublandlord.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Sublandlord may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that Sublandlord has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Sublandlord with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

- (f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.
- (g) Subtenant shall keep itself informed of the current requirements of the HCAO.
- (h) Subtenant shall provide reports to Sublandlord in accordance with any reporting standards promulgated by Sublandlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.
- (i) Subtenant shall provide Sublandlord with access to records pertaining to compliance with the HCAO after receiving a written request from Sublandlord to do so and being provided at least five (5) business days to respond.
- (j) Sublandlord may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with Sublandlord when it conducts such audits.
- (k) If Subtenant is exempt from the HCAO when this Sublease is executed because its amount is less than Twenty-Five Thousand Dollars (\$25,000) (or [Fifty Thousand Dollars (\$50,000) if Subtenant is a qualified nonprofit], but Subtenant later enters into an agreement or agreements that cause Subtenant's aggregate amount of all agreements with Sublandlord to reach Seventy-Five Thousand Dollars (\$75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Subtenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars (\$75,000) in the fiscal year.

22.17. Notification of Limitations on Contributions. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Subtenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Subtenant further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Subtenant's board of directors; Subtenant's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent

in Subtenant; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Subtenant. Additionally, Subtenant acknowledges that Subtenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

22.18. Preservative-Treated Wood Containing Arsenic. As of July 1, 2003, Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

22.19. Resource Efficient City Buildings and Pilot Projects. Subtenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

22.20. Food Service Waste Reduction. Subtenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

22.21. Estoppel Certificates. At any time and from time to time, within ten (10) days after Sublandlord's request, Subtenant will execute, acknowledge and deliver to Sublandlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Sublease; (b) that this Sublease is unmodified and in full force and effect (or if there have

been modifications, that this Sublease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Sublease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Sublandlord. Sublandlord and Subtenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Sublandlord's interest in the Master Lease or this Sublease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Subtenant irrevocably appoints Sublandlord, as Subtenant's agent, to execute and deliver in the name of Sublandlord any such instrument if Subtenant fails to do so, which failure shall also be an Event of Default under this Sublease.

22.22. Addendum. The terms of the Addendum, if any, attached to this Sublease are incorporated into the Sublease by reference. In the event of any inconsistency between the Sublease and the Addendum, the terms of the Addendum shall control.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

**WINE VALLEY, INC., a California
corporation doing business as TI PIES**

By: _____
Jack Nathanson
Its: Director

SUBLANDLORD:

**TREASURE ISLAND DEVELOPMENT
AUTHORITY**

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

Sublease Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)

EXHIBIT A
MASTER LEASE

EXHIBIT B

DIAGRAM OF PREMISES

EXHIBIT C

COVER PAGE OF THE SEISMIC REPORT

EXHIBIT D

RULES AND REGULATIONS

1. All rules and regulations set out in the Master Lease shall prevail.
2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Sublandlord.
3. Subtenant's contractors and invitees, while on the Premises or Subtenant's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from Sublandlord and its agents, but will not be an agent or contractor of the Sublandlord or its agents. Subtenant's contractors shall be licensed by the State, insured and bonded at the amount requested by the Sublandlord.
4. Subtenant shall install and maintain at Subtenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises.

EXHIBIT E

STANDARD UTILITIES AND SERVICES AND RATES

Utilities Rate Schedule

Utility Service	Rate	Unit
Electric Rate	\$ 0.14	per kwh
Water Rate	\$ 5.40	per kgal
Sewer Rate	\$ 5.75	per kgal
Gas Rate	\$ 0.60	per therm

Rates are subject to adjustment.

Subtenant shall install utility Submeters to the satisfaction of Sublandlord.

Subtenant shall arrange for delivery of utility services to the premises by making a "Request for Utilities Services" by contacting:

San Francisco Public Utilities Commission
c/o Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Mr. Vic Zorzinsky
(415) 274-0333

EXHIBIT F

TIHDI WORKFORCE HIRING AGREEMENT

ADDENDUM TO SUBLEASE No. 116
BETWEEN
THE TREASURE ISLAND DEVELOPMENT AUTHORITY
AND
WINE VALLEY, INC., a California Corporation
doing business as TI PIES

This is an Addendum to the Sublease dated as of February 12, 2009, between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Sublandlord"), and WINE VALLEY, INC., a California Corporation doing business as TI PIES ("Subtenant"), relating to certain premises described in the Sublease.

This Addendum supersedes and replaces the terms of the Sublease to which it is attached to the extent of any inconsistency between the Sublease and this Addendum. All capitalized terms used in this Addendum and not defined herein shall have the meanings set forth in the Sublease.

Sublandlord and Subtenant agree as follows:

1. Amended Section 5.1 - Base Rent. Section 5.1 of the Sublease is hereby deleted in its entirety and replaced with the following:

"5.1 Base Rent and Percentage Rent. Throughout the Term, beginning on May 1, 2009, Subtenant shall pay to Sublandlord Monthly Base Rent equal to the greater of (i) Eight Hundred Dollars (\$800.00) (\$1.25 per square foot) ("Minimum Base Rent") or (ii) Seven Percent (7%) of Gross Food and Beverage Sales Revenues (the "Percentage Rent"). "Gross Food and Beverage Sales Revenues" means the total revenues received by Subtenant from all food and beverage service provided in, upon or from the Premises, and shall include any credit sales, gift certificates or other prepayments.

(a) Payment of Base Rent and Percentage Rent. Minimum Base Rent shall be payable monthly in advance on the first day of each calendar month. Percentage Rent shall be payable monthly in arrears as follows. For each month, Subtenant shall furnish to Sublandlord a statement in writing, certified by Subtenant to be true and correct, showing the total Gross Food and Beverage Sales Revenues made in, upon or from the Premises. If the total Gross Food and Beverage Sales Revenues for any month exceeds the Minimum Base Rent, then Subtenant shall such excess to Sublandlord as Percentage Rent. The monthly statement, and the monthly payment of Percentage Rent, if any, shall be due and payable no later than forty-five (45) days after the end of the month in question. Base Rent and Percentage Rent shall be paid to Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever.

(b) Annual Report. Within sixty (60) days after each anniversary of the Commencement Date, Subtenant shall submit to Sublandlord an annual statement of Gross Food and Beverage Sales Revenues certified as true and correct by Subtenant and in a form acceptable to Sublandlord.

(c) Review of Books and Records. Sublandlord shall have the right at any time to perform a review or audit of Subtenant's books and records as may be necessary to certify the amount of Gross Food and Beverage Sales Revenues. If the amount of event fees and/or Gross Food and Beverage Sales Revenues for any period as determined by Sublandlord's review or audit exceeds the amount reported by Subtenant by more than two percent (2%), Subtenant shall immediately remit the amount of the underpayment to Sublandlord and the cost of examination shall be paid by Subtenant to Sublandlord within thirty (30) days after Sublandlord's written request.

(d) Default. Subtenant's failure to provide monthly or annual statements within the time periods required, failure to provide access to Subtenant's books and records, or any misrepresentation of Gross Food and Beverage Sales Revenues by Subtenant, shall be an event of default under this Sublease.

(e) Survival. The terms of this Section shall survive the expiration or earlier termination of this Sublease."

2. Amended Section 8.5 – Subtenant's Alterations. The following is added to the end of Section 8.5:

"Subtenant, at its sole cost and expense, shall cause the renovation of Building 183, provide kitchen facilities, and install a new outside seating area in accordance with plans and specifications mutually agreed upon by the parties."

3. Amended Section 9.1 – Subtenant Responsible for Maintenance and Repair. Section 9.1 of the Sublease is hereby deleted in its entirety and replaced with the following:

"Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all other repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition."

4. New Section 14.2 – Best Beverage Catering Services. A new Section 14.2 is hereby added to the Sublease, which states in its entirety as follows:

"14.2. Best Beverage Catering Services. Subtenant has informed Sublandlord that beverage and other services related to the operation of the restaurant at the Premises may be provided by F&B Associates dba Best Beverage Catering ("Best Beverage"). Sublandlord approves the provision of such services by Best Beverage subject to Sublandlord's approval of the agreement between Subtenant and Best Beverage, which agreement shall contain insurance, indemnity and release provisions for the benefit of Sublandlord on the same terms as provided in Sections 16 and 17 of this Sublease.

5. **New Section 22.23 – Resource Conservation and Sustainability.** A new Section 22.23 is hereby added to the Sublease, which states in its entirety as follows:

"22.23. Resource Conservation and Sustainability. Sublandlord is committed to managing the Premises in as sustainable a manner as possible. In addition to Subtenant's compliance with the requirements of Section 22.20 of this Sublease, Subtenant shall conduct its operations in accordance with all applicable provisions of the San Francisco Environment Code, including but not limited to Chapter 5, which is incorporated herein by reference. Subtenant shall use best efforts to conduct its operations in accordance with sustainable practices. A breach of this Section 22.23 shall be a material default under this Sublease."

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Addendum to Sublease as of the day and year first above written.

SUBTENANT:

**WINE VALLEY, INC., a California
corporation doing business as TI PIES**

By: _____
Jack Nathanson
Its: Director

SUBLANDLORD:

**TREASURE ISLAND DEVELOPMENT
AUTHORITY**

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney



TI PIE
BAR AND PIZZERIA.



Wine Valley Catering, Inc., dba TI Pie

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The New Children's Discovery Museum, San Diego, CA

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TI PIE CONCEPT / SUMMARY

OVERALL CONCEPT / THEME

Create a casual dining experience with in-door and outdoor seating offering quality food and full bar services. Our idea is to capitalize on the outdoor space during the day allowing guests to enjoy the pristine views of the San Francisco Bay while smelling the wonderful barbeque in the background. Inside would have a warm bar like atmosphere, flat screen television and the smells of fresh pizzas.

We want it to be a real Treasure Island destination without breaking the bank. Reasonable dining, full bar services and comfortable setting.

TI Pie would also have a large selection of To-Go menu items, possible with delivery options.

RESTAURANT & BAR SPACE RENT:

Rent: \$800 per month (\$1.25 per square foot @ 640 square feet) or 7% of adjusted gross sales, the higher figure to prevail. (*Minimums?*)

HOURS OF OPERATION:

7am - 7pm - Monday through Friday

7am - 9pm - Saturday

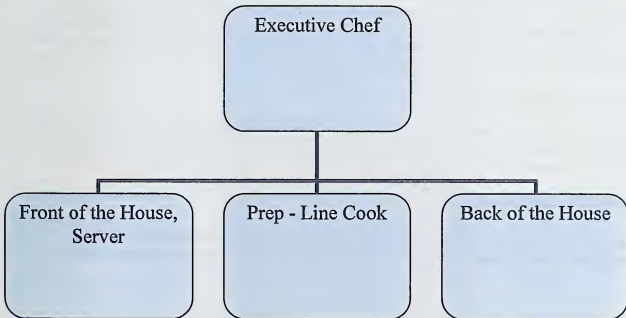
7am - 8pm - Sunday

STAFFING:

Executive Chef Matt Griffin would oversee the menu, ordering, concepts, etc.

We would have a manager on-site at all times that would double as a bartender, 1-cook/prep person and a server, or two, depending on the event, dates, menu, etc.

Staff uniform would be casual, chef coats in the kitchen, polo shirts and khaki pants for floor staff.



SPECIALS:

Monday Night Football

Happy Hour Weekly from 4p - 7p

Sunday Brunch / BBQ Specials

Boxed Lunch Specials for CalTrans,

LICENSING:

TI Pie would secure full bar liquor license for the premise with a type 47 license with an off premise selling condition that will allow guests to purchase wine and or beer to take out.

SIGNAGE:

We would anticipate significant signage on the top of the building as well as 2-3 signs in the median on your way down Avenue of the Palms. Additional we would have the traditional lighted beer signs in windows.

DESCRIPTION OF IMPROVEMENTS:

We would like to remove the existing ceiling, exposing the nature wood beams. Doing this would give a more open feel to the space and give the illusion of being in a larger space.

We would additionally like to expand the deck area to circle the existing structure offering views of the City and the Bay Bridge. We would anticipate outdoor seating for up to 100 and up to 40 inside. For the inside Café we are looking to turn the existing counter top into a Bar with stools. Additionally we would incorporate a counter extending the back wall allowing for individual bench seating. We would install swinging doors to give privacy to the kitchen area.

In the summer / warmer months we would be doing most of our cooking outdoors using portable grills and a smoker. All visible to the guests. Cooking outdoors would help generate business as passerbies would be able to see and smell the day's specials.

EQUIPMENT NEEDS:

As of now the café has no kitchen equipment. There is a working ensile system and sink on site. TI Pie requires the following equipment to run a productive and efficient kitchen: Pizza Oven, Flat top grill, Deep Fryer, BBQ grills, dishwasher, bar refrigeration, Bar (both inside and outside), bar equipment, Bar Shelving, TV's, Coolers, Freezer, Tables, Chairs, and Bar Stools. The approximate out of pocket expense would be fifteen to twenty thousand dollars and does not include any construction or construction materials expense. This expense would be taken on by TI Pie.

Additional demo and construction ideas and cost

Removal off ceiling tiles to expose natural ceiling, new lighting, building of new bar, new flooring, putting in sliding glass doors in place of existing windows, new outside patio, all permits associated with upgrades, plus additional upgrades as needed. Approximate time and cost associated with this are to be determined. Have yet to get bid.

ESTIMATED TIMEFRAME:

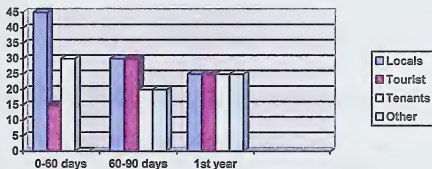
We estimate a minimum of 90-days from lease signing to door opening. This includes all permits, licensing, improvements, hiring of staff, signage, etc. We would ask that rent payments commence once doors are open.

MARKETING

Initial Marketing Efforts would be focused in the following areas:

- Existing residence, approximately 3,000.
- Tourism: we would anticipate making arrangements with all the tour companies, (*Bay Magic, California Wine Tours, etc.) TO offer added value incentives to their guests, i.e. box lunches, grab and go specials, etc. Capitalizing in the 1,000 daily visitors.
- Island Tenants and their employees, current targets include The Villages, Cici Myers, Island Design, Treasure Island Sailing Center, the Yacht Club, Job Core, Treasure Island Wines, Treasure Island Media, Coast Guard, CalTrans, etc.
- Local San Francisco bay area residents. TI Pie will create a magnificent dining experience for local bay area residents from San Francisco, Oakland, and Berkeley.

By offering quality food and service at reasonable prices TI Pie will have the ability to reach out to local residents and existing business to be a popular dining/watering hole for breakfast, lunch and dinner. TI Pie will create a fun atmosphere coupled with the majestic surrounding views we will be able to attract island visitors not only from local tourism but from all over the bay area.



Additional Targets.....





TI PIE MENU

BAR AND PIZZARIA SERVICES.

PIZZA

	Small	Large
Cheese	\$ 9.00	\$ 15.00
Additional Toppings....	\$ 1.00	\$ 2.00

Toppings: Onion, Green Pepper, Mushroom, Fresh Tomatoes,
Garlic, Pepperoni, Salami, Meatballs, Ham, Anchovies,
Spinach, Eggplant, Olives, Peppers, Pineapple

HAPPY HOUR / APPETIZERS

Chicken Wings
Sweet Potato Fries
Fried Calamari
Potato Wedges
Garlic Fries
\$ 6

SANDWICHES, BURGERS & MORE ...

Pulled Pork Sandwich with coleslaw and chips - \$8.95
Grilled Angus Beef Burger with chips - \$8.95
 With Cheese - \$9.95
Sub Sandwiches - Meatball & Cheese, Eggplant & Cheese, Philly cheese steak, grilled or
 Cajun chicken sandwich
 Served with chips - \$ 8.95
Assorted cold/deli Sandwiches - \$7

BBQ Oysters - \$1.50 each

COLD ITEMS / SALADS

Mixed Green Salad - \$5
Caesar Salad - \$6

DRINKS

Bottled Water	\$ 2.00	Coffee	\$ 2.00
Coke/Diet Coke/Sprite	\$ 2.00	Tea	\$ 2.00
Beer, Domestic	\$ 4.50	Hot Chocolate ...	\$ 2.00
Beer, Imported	\$ 5.75	Fruit Juices	\$ 3.00
Wine (Red & White)....	\$ 5.00	RedBull	\$ 5.00
Mixed Drinks	\$ 6.00 - \$ 8.00		

All menus items can be 'packed to go'.



TI PIE BRUNCH MENU

BAR AND PIZZARIA SERVICES.

EGGS....

Three (3) egg Omelets

Served with your choice of Toppings

Jack Cheese, Cheddar Cheese, Feta Cheese, Onion, Green Pepper, Mushroom, Fresh Tomatoes, Garlic, Pepperoni, Salami, Meatballs, Ham, Spinach, Eggplant, Olives, Peppers. Served with homemade potato wedges and fruit garnish - \$8 - \$10.00

Traditional Eggs Benedict

Poached eggs, Canadian bacon and hollandaise sauce on English muffin. Service Served with homemade potato wedges and fruit garnish - \$8.95

Andouille Sausage Benedict

Poached eggs, Louisiana style sausage, hollandaise sauce on English muffin. Service Served with homemade potato wedges and fruit garnish - \$8.95

Florentine Benedict

Poached eggs, Spinach, Tomato, hollandaise sauce on English muffin. Service Served with homemade potato wedges and fruit garnish - \$7.95

Hangtown Fry

Breaded oysters, bacon and eggs, bacon, served open face with house potatoes and fruit garnish - \$9.95

Bloody Mary and Mimosa Bar

BBQ Summertime Specials

BBQ Beef Brisket Sandwiches

BBQ Chicken

BBQ Baby Back Ribs

BBQ Corn on the cob

Served with baked beans and corn bread



TI PIE BAR MENU

Drink Menu

NON-ALCOHOLIC - \$ 3.00

RED BULL - \$ 5.00

RED BULL COCKTAILS - ADD \$ 2.00

DOMESTIC BEER - \$ 6.00

PREMIUM BEER - \$ 7.00

DRAFT BEER - WEEKLY SPECIALS TBD

CALIFORNIA WINE - \$ 6.00

COCKTAILS - \$ 7.00 - \$ 9.00

WINE VALLEY CATERING

We'd like to introduce Wine Valley Catering. The owners are Peter and Lorene McCaffrey. Jack Nathanson, General Manager; Steve Sarna, Director of Sales; Debbie Dellinger and Lisa Freathy, Account Executives; Lynn Box, San Francisco Production Manager; Nathan Duckett-Flaherty, San Francisco Operations Manager; Sheila Moore, Production Manager; Margaret Simich Office & Scheduling Manager and Claire Moskos, Special Project Manager. We have over 125 years of experience between us in the catering and hospitality business. Peter has trained with world-class chefs including Alain Ducasse and Alain Senderens. Peter has also traveled extensively and worked in restaurants, hotels and catering companies in New York, San Francisco, St. Thomas and Boston, moving to the Napa Valley Fifteen years ago. Peter has the unique qualification of training under the worlds top Chef's and the understanding of how to execute world-class cuisine and service for a large gathering. He is also the Culinary Consultant for CaterSource Inc. based in Chicago. Each January, for the last 10 years, he has lectured at the largest U.S. catering conference in Las Vegas. Peter teaches thousands of fellow caterers' new and exciting culinary techniques for the industry.

We've been at our current Headquarters at 875 Sousa Lane in Napa for 11 yrs, since purchasing the facility in 1998, and have additional offices located in Building One, Treasure Island

Joint Venture with TIHDI and Tool works

In October 2007, Wine Valley Catering executed a MOU with Treasure Island Homeless Development Initiative and Tool works, a non profit, whose missions are to provide training and employment opportunities for the disabled and socially disadvantaged. The purpose of the MOU is to provide event management and venue management services to TIDA for Casa De La Vista, The Chapel, and Building 1. This arrangement was later expanded to include the Fogwatch Picnic Area, and The Treasure Island Library, recently renovated to provide over 4000 square feet of meeting space. In addition, Wine Valley Catering is in the process of developing The Pavilion by the Bay, a 6500 square foot semi-permanent structure on property adjacent to Casa De la Vista that was formerly home to the Fogwatch Building.

In addition to providing event management support to TIDA, this Joint Venture has two main purposes.

First, we are committed to providing employment opportunities for clients of TIHDI. Specifically, we are committed to a goal of 75% of Island JV workforce being TIHDI Clients.

Second, WVC, jointly with Toolworks, will be designing several training programs for clients of Toolworks that will enable them to enter the workforce with marketable employment experience.

Food and Beverage Management

In addition to our Catering and Events background, WVC has extensive experience in Facilities Operations:

- Villagio Hotel and Spa- 2001-2002: Complete responsibility for the resorts Food and Beverage Department including guest breakfast service, room service, bar, and catered events, including menu development, point of sale, and Food and Beverage Sales and Marketing.

- Cline Cellars- 2002- Present: Event management services for this renowned Sonoma Winery.

- Opus One Winery- 1999- Present: Responsible for the culinary events program at the Super Premium Oakville Estate

Special Events and Accomplishments

Frank Sinatra Invitational Golf Tournament - Palm Springs, CA – 2004, 900 Guests

Anthony Quinn - Life Time Achievement Dinner – 2005, 750 Guests

Napa Valley James Beard Dinner - St. Helena, CA -1000 Guests

Napa Valley Wine Auction- 1999-2006- 500 Guests

Make A Wish Foundation Croquet Classic- 2006- Present, 800 Guests

WVC TEAM

Peter McCaffrey

Executive Chef/Owner of Wine Valley Catering

Professional Training and Education

MONTE CARLO - One year at the Hotel de Paris in the 3 star restaurant of Louis XV under Chef Alain Ducasse

PARIS - One year at La Timonerie. A new 1 star restaurant under Chef Philippe de Givenchy

PARIS - Stage, under Chef Alain Senderens, at a Lucas 3 star Carton

BRAVA TERRACE, NAPA VALLEY, CA, Executive Chef, 2 years

PORTMAN HOTEL, SAN FRANCISCO, Sous Chef

THE LAFAYETTE HOTEL, BOSTON MA, Executive Sous Chef

WYNDHAM VIRGIN GRAND BEACH HOTEL, ST. THOMAS, USVI, Banquet Chef

Graduated from the CALIFORNIA CULINARY ACADEMY

Jack Nathanson

General Manager, Wine Valley Catering

Wine Valley Catering, General Manager, 2/05 to Present

HEADQUARTERS, Napa and San Francisco, California

R Ring Enterprises Incorporated, Director of Food & Beverage, 2/04 to 2/05

EMBASSY SUITES NAPA VALLEY, Napa, California

Presidio Hotel Group LLC, Hotel General Manager, 4/01 to 2/04

HILTON GARDEN INN NAPA, Napa, California.

Solano Development Corporation/Presidio Hotel Group LLC, Hotel General Manager, 4/96 to 4/01

HOLIDAY INN SELECT, FAIRFIELD/NAPA VALLEY AREA, Fairfield, California.

Wesley Hotel Group/Ridgewood Properties, Food & Beverage Director, 2/96 to 4/96

HOLIDAY INN /INTERSTATE 64, Louisville, Kentucky.

Remington Hotel Corporation, Food & Beverage Director, 6/95 to 4/96

NEWARK-FREMONT HILTON, Fremont, California.

Wesley Hotel Group/Equitable Real Estate Investment Management, 6/93 to 6/95

Food and Beverage Director of the following properties:

DONATELLO HOTEL, San Francisco, California

SHERATON INN NAPA VALLEY, Napa, California

Education

Rutgers University, New Brunswick, New Jersey

Successfully completed American Hotel and Motel Association "Certified Hotel Administrator" Certification in April 1999

Completed formal training in all facets of F&B through Continental Companies

Trainer-"Sheraton Guest Satisfaction System", American Hotel and Motel Administrator "Serving Alcohol with Care" program.

Why WVC?

We feel that Wine Valley Catering offers TIDA a unique opportunity in Café Management. Please consider the following points:

- Food Quality- WVC prides itself on the freshness, innovativeness and overall quality of our food. While F&B Associates possesses an unparalleled background in beverage service, WVC will ensure that menus are expertly designed and consistently executed. Our culinary background will be key in café menu development, kitchen team training, sanitation, purchasing, etc.
- Long Term Partnership- WVC has been employing F&B Associates, dba BBC for 8 yrs to provide beverage services for its catered events, and the team enjoys a seamless working relationship.
- Food and Beverage Management- WVC's management team, particularly Peter McCaffery and Jack Nathanson, have a proven track record of successful results running high quality, profitable Food and Beverage operations. They will team with BBC to provide the expertise needed to reopen the Café successfully and consistently.
- Guaranteed Revenue- TIDA is guaranteed a minimum of \$800/month income, or 7% of gross revenue, which ever is greater.
- Presence on The Island- With our existing presence on Treasure Island WVC will easily be able to ensure that Café operations are running according to the high standards our company is known for, and that hours of operation are strictly adhered to.
- Additional Facility- Managing the café will provide WVC with additional needed kitchen facilities on the Island
- Recruiting- WVC existing administrative staff on TI will make recruiting for the Café staff extremely efficient.
- **MARKETING- WVC'S PRESENCE ON TREASURE ISLAND WILL ALSO FACILITATE EXECUTION OF A COMPREHENSIVE SALES AND MARKETING PLAN. OUR EXPERTISE WITH RESPECT TO ISLAND DEMOGRAPHICS WILL BE CRITICAL IN ENSURING A FOCUSED EFFORT HERE**

QUALIFICATIONS

QUALITY OF FOOD

We realize that your café is a showcase for your venue and adds to the experience of the patrons that visit your venue. Our goal is to add to that experience. The cafés we operate are to service our clients, profit is made at events. These operations are to showcase the quality of the food we are able to produce. Our goal is that our landlords will entertain at their café on a daily basis. That is our highest compliment.

CLIENT LIST

Tack Room Tavern at the Empire Polo Club in Indio, CA
Café Fresh at The Gift Center Pavilion and Jewelry Mart, San Francisco, CA
Café 101 at the Galleria Design Center, San Francisco, CA
The Warfield Theater, San Francisco, CA
San Diego Children's Museum, San Diego, CA

OUR TEAM

Dirk Alton

President/Owner

Mr. Alton started Best Beverage Catering in 1990 when he saw an opportunity to fill a needed role in the Bay Area events scene. Many caterers were successful, but lacked the ability to be completely full-service. Primarily, BBC is an industry partner who is able to skillfully and legally provide bar service for private and public events. Mr. Alton's entrepreneurial skills still show today, as he continues to expand the parameters of BBC. He currently oversees offices in San Francisco, Los Angeles and Palm Springs. His reaches have now expanded into venue management and large-scale concession services for the music and sporting industries, most notable Super Bowl of 2003 and 2005-2009.

Matt Griffin

Executive Chef

Mr. Griffin has been the Executive Chef with Best Beverage Catering since 2005. Prior to joining Best Beverage he was the Chef de Cuisine and Tasting Chef for Global Gourmet Catering in San Francisco. He was additionally a culinary teacher at the California Culinary Academy sharing his skills and expertise to up and coming chefs. He also was a Banquet Chef at the protégées St. Francis Hotel in downtown San Francisco.

Suzanne Kavert

VP of Sales & Marketing

Suzanne Kavert was promoted to our VP of Sales & Marketing in 2008. She currently oversees sales efforts in San Francisco, San Diego, Palm Springs and beginning in the spring, Los Angeles. Previously she served as our Sales Manager since joining the company in July of 1999. Prior to this, she served as a Board of Director with Travelzoo, a National Account Manager for Budget Rent a Car and Marketing Director for PLM Air. Her extensive and diverse background along with her relationship building and strong cold calling skills has yielded an impressive growth in our special event business. She continues to manage and maintain our existing client base as well as strengthening our position in the marketing place.

TACK ROOM TAVERN



The Tack Room Tavern, located at the Empire Polo Club, offers one of the desert's most unique and affordable settings for hosting guests.

Best Beverage Catering opened the Tack Room Tavern in 2005 in conjunction with the Empire Polo Club.

Best Beverage Catering handles the entire operation including menus, operations, staffing, marketing and promotions as well as booking and hosting the private events.

In 2006 we underwent major renovations to the property (almost \$100k), in conjunction with the ownership.

"Authentic saddles, cozy booths, and a friendly staff create a distinct Western charm at this locally-owned tavern and event site. Located on the scenic grounds of the Empire Polo Club, the Tack Room offers a full lunch and dinner menu and boasts the largest back bar in the desert."

..... Metro Mix, Palm Springs, 2008.

TACK ROOM TAVERN



The Patio accommodates up to 100 guests for Dancing, Dining and Socializing and up to 200 guests standing for Cocktail and Hors d'oeuvres Receptions.

The connecting Palm Court offers 8,000 additional square feet of space and accommodates up to 500 guests for Dancing, Dining and Socializing and up to 1,000 guests standing for Cocktail and Hors d'oeuvres Receptions.





SOUPS AND SALADS

All Salads are served with a Silver Dollar Roll & Butter

Add Chicken to any salad \$2.95
Add Shrimp to any salad \$4.95

Tack Room Wedge \$6.50
1/3 Head of Iceberg Lettuce
Creamy Bleu Cheese Dressing,
Chopped Tomatoes, Onions & Bacon Bits

Classic Caesar Salad \$6.95
Fresh Romaine, Parmesan Cheese and
Homemade Croutons

Tavern Chopped Salad \$8.95
Turkey, Ham, Crisp Bacon, Onions, Tomatoes,
Bleu Cheese Crumbles & Mixed Salad Greens
Chopped together and Tossed with your Choice
of Dressing

Soup or Chili of the Day \$3.50

ENTREES

All Entrees served with French Fries, Onion Rings or Seasonal Fresh Fruit

"Empire Polo" Club \$8.95
Traditional Clubhouse Sandwich with a bit of
Tack Room Flair

Stadium Style Dogs \$7.25
Two Grilled 100% All Beef Franks with
your Favorite Toppings

Coachella Chicken Sandwich \$8.95
Served with Jack Cheese, Grilled Red Peppers,
Grilled Onions and Chipotle Mayonnaise

Pork Tenderloin BBQ Sandwich \$8.95
Roasted and Seasoned Tenderloin of Pork with
our Special BBQ Sauce on a Telera Bun

Tack Room Angus Burger \$8.25
Served with Lettuce, Tomato and Onion
Add Cheese, Mushrooms or
Caramelized Onions +\$.75 each item
Double Meat Patty +\$2.00

"10 Goal" Kobe Burger \$11.95
½ lb. Kobe-Style Ground Beef, Apple Smoked
Bacon, Gorgonzola with Caramelized Onions
"10 Goal" is the highest rating a Polo Player can receive. There are only
a few in the world. Ratings are determined by the number of goals a
player can score during a match.

Grilled Chicken or Pork Quesadilla \$8.95
with Roasted Anaheim and Passilla Chilis,
Cilantro, Assorted Cheeses, Guacamole,
Sour Cream and Salsa Fresca

Ask your Server about our Daily Specials and Fresh Desserts

For take out orders, please call 760-347-9985

All of our deep frying is done with Canola Oil.



APPETIZERS

Classic Buffalo Wings \$7.95

Served with House Prepared Bleu Cheese Dressing and Celery Sticks

Desert Spicy Calamari \$9.50

Hand Battered Calamari, Tossed with Scallions and Fresh Local Chile and Tequila Caper Aoli

Chips and Salsa \$5.25

Warm Homemade Tortilla Chips, Salsa Fresca and Fresh Guacamole

Nachos Supreme \$8.95

Homemade Tortilla Chips topped with Nacho Cheese, Salsa Fresca, Sour Cream, Fresh Guacamole, Onions, Tomatoes and Jalapeños

Fried Fresh Veggies \$5.75

Fried Seasonal Fresh Vegetables served with Ranch Dressing

Chile Poppers \$5.75

Mild Chile Poppers served with a House Dressing

Chicken Fingers \$6.95

Served with Barbeque Sauce, Ranch or Honey Mustard

Basket of French Fries \$4.95

Your Choice of Regular, Cheese or Garlic Fries

Basket of Onion Rings \$5.95

Happy Hour Specials

4:00 p.m. to 7:00 p.m. Daily

½ Off Appetizers

and

\$1.00 off all Drinks

(Does not include canned beer)



Best Beverage Catering took over Café 101 operations in June of 2001. Café 101 is a full sit down dining service open for breakfast and lunch Monday through Friday. It also has a counter service for take away and more casual dining experiences. The Café could handle seating up to 100 guests at a given time.

We concluded our lease with the SF Design Center in December and plan on utilizing a lot of equipment and resources we previously had in place at this café.





Starters

Pan Fried Rock Crab Cakes \$8.95
Served over Chayote Squash Salad with Chipotle Aioli

Soups & Salads

Soup of the day cup \$3.50 bowl \$4.95

House Green Salad \$4.95

Mixed Organic Baby Greens with the House Vinaigrette

Classic Caesar Salad \$8.95

With Homemade Croutons and shaved Parmesan Cheese

Add Grilled Marinated Breast of Chicken: \$3.00

Grilled Chicken Cobb Salad \$11.95

Herb Marinated Chicken Breast, Hard Cooked Egg, Crispy Bacon, Grilled Corn and Avocado with Organic Baby Spinach in a Gorgonzola Vinaigrette

Grilled Prawn Salad \$11.95

Fresh Grilled Prawns & Chayote on a Bed of Organic Mixed Greens with Cherry Tomatoes, Bermuda Onions & Avocado tossed in a Cilantro Lime Vinaigrette

Greek Salad Plate \$8.95

Homemade Hummus, Greek Feta Cheese, Marinated Cucumbers & Kalamata Olives on a bed of Romaine Lettuce with Pita Chips - Add Grilled Marinated Breast of Chicken: \$3.00

Sandwiches & Entrees

101 Burger \$9.95

Niman Ranch Angus Beef served on Ciabatta Bread with your choice of our Fries or a Mixed Green Salad Add Cheddar, Swiss or Gorgonzola: \$1.00 Add Bacon: \$1.00

Garden Burger Available Upon Request

Grilled Chicken Sandwich \$9.95

Herb Marinated Chicken Breast served on a Baguette with Romesco Sauce, Grilled Onions, Fennel, & Melted Swiss with your choice of Garlic French Fries or a Mixed Green Salad

Herb Rubbed Atlantic Salmon \$13.95

In a Cilantro Beurre Blanc with Shallot Mashed Potatoes & Green Beans Almondine

Grilled Beef Kabobs \$11.95

Marinated Beef Kabobs in a Portobello Mushroom Sauce served over Shallot Mashed Potatoes & Topped with Crispy Onions

Sides

Garlic Fries \$3.95

*For parties of six or more, an 18% gratuity will be added.
\$3.00 Split charge for shared entrees.*

Café Fresh @ the Gift Center & JewelryMart



Best Beverage Catering took over Café Fresh at the Gift Center & JewelryMart in June of 2005. At that time we offered full sit down services, bar and deli / counter. The maximum capacity at the Café is between 100 - 150 guests, per seating.

BBC manages all aspects of this café including menu, execution, staffing, service, etc. We also comply with all health code and building code requirements.

Since taking over this Café the building was sold to a management company and they are preparing for a major remodel. As result of this remodel, BBC only offers counter service and bar services.

CAFÉ FRESH

SALAD, WRAPS, BBQ
888 BRANNAN
Phone: (415) 593-0466
Fax: (415) 593-0469

DAILY CAFÉ MENU

Regular Daily Items.....

Caesar Salad - \$8
Chinese Chicken Salad - \$10
'Build Your Own' Panini Sandwiches - \$7.25
Chicken or Veggie Grilled Quesadillas - \$6
Popeye Spinach Salad - \$7.24

Daily Soup Specials - \$4

Daily Hot Entrée - \$8.25

Rotating Specialty Offerings....

1/4 lb. Ball Park Dog - \$5
Café Fresh Garlic Fries - \$4
1/2 lb. Angus Burger and Fries - \$8.25
Crispy Fish & Chips - \$9
Grilled Hot Pastrami - \$7.5
Veggie Falafel Plate - \$8.25
Spicy Chicken Drumettes - \$7

THE WARFIELD



BBC is contracted through AEG Live and is the in-house beverage and concession provider. We offer the highest per person caps right now in the industry.

The theater holds a maximum of 2,500 guests for performances and is also available for private events.



Best Beverage Catering operates a breakfast and lunch cart at the San Diego Children's Museum in the Summer of 2008. This facility really caters to families with children 0 - 10 and downtown San Diego. BBC is careful to offer only Organic selections, prepackaged and works with the facility to ensure we are in compliance with all the local and sustainable requirements associated with doing business as the museum.

We are currently in the process of licensing the facility to comply with the ABC and be able to manage the facility special event beverage catering needs. We have a 5 year contract with them.



From the New Children's Museum Website.....

"The Museum has an on-site cafe, providing healthy, organic food for visitors of all ages, including sandwiches, salads and snacks. The indoor/outdoor cafe is open during Museum hours, providing a relaxing place to sit and refuel while still enjoying the Museum experience. The cafe is operated by Best Beverage Catering, and food is provided by Organic to Go."

The New Children's Museum Café

Organic to Go

PACKAGED SNACKS

Bagged Cookies, Ritz Bits, Cheeze-Its, Beef Jerky & Trail Mix-\$1.35

Bagged Chips, Popcorn, Rice Cakes, Dried Fruit & Kashi - \$1.50

Muffins: Blueberry & Chocolate Chip - \$1.75

Protein Bars and Cliff Bars - \$2.00

Assorted Candy & Mints - \$1.25

Veggies & Hummus Plate - \$6.00

Hummus with pita bread wedges and seasonal veggies

Fruit & Cheese Plate - \$5.25

Assorted fresh seasonal fruits and cheeses

Fruit, Granola and Yogurt Parfait - \$4.75

Low-fat vanilla yogurt layered with fruit and granola

Fresh Fruit Cup - \$4.75

Seasonal fresh organic fruit

P.B. &J. Sandwich - \$5.00

Grape jelly and organic peanut butter

Ultimate Cheese Sandwich - \$5.00

Assorted seasonal cheese on wheat bread

BEVERAGES

Honest Tea and Vitamin Water	\$2.50
Izze Soda, Ice Tea, Lemonade & Chocolate Milk	\$2.00
Juice Box- Assorted Flavors	\$1.00
Bottled Water and Soda	\$1.50

TAX IS NOT INCLUDED

The New Children's Museum Café

Organic to Go

SANDWICHES and SALAD

Roasted Turkey and Swiss \$7.50

Roasted turkey breast and Swiss cheese with light herd spread on a whole wheat bread

Black Forest Ham and Swiss \$7.50

Black forest ham and Swiss cheese with light honey mustard spread on artisan bread

Egg Salad Sandwich \$7.50

Eggs with light mayo, a touch of mustard and chopped red onion on whole wheat bread

Albacore Tuna Salad Sandwich \$6.00

Albacore tuna with healthy dressing, pickle relish, mustard and lemon juice on a whole wheat bread

Grilled Chicken Caesar Wrap \$7.00

Grated Italian cheese, fresh lettuce and Caesar dressing in a flour tortilla

Thai Chicken Wrap \$7.00

Grilled chicken, red cabbage, cucumbers, carrots and lettuce with Thai peanut sauce

Thai Veggie Vegan Wrap \$6.50

Red cabbage, cucumbers, carrots and green leaf lettuce with Thai lime vinaigrette and pita bread

Epic Harvest Salad \$7.50

Grapes, Walnuts, Apples, Blue Cheese, Mixed Greens and Citrus Vinaigrette

TAX IS NOT INCLUDED

FINANCIALS

TI PIE 2009

	April	May	June	TTI
Food	\$6,000	\$6,200	\$7,500	\$19,700
Bev	\$9,000	\$9,300	\$9,000	\$27,300
TTI	\$15,000	\$15,500	\$16,500	\$47,000
7% Rent	\$1,050	\$1,085	\$1,155	\$3,290

TI PIE 2010

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Food	7750	7750	7500	7750	6000	6200	6200	5600	6200
Bev	9300	9300	10500	10850	7500	7750	7750	7000	7750
TTI	\$17,050	\$17,050	\$18,000	\$18,600	\$13,500	\$13,950	\$13,950	\$12,600	\$13,950
7% Rent	\$1,194	\$1,194	\$1,260	\$1,302	\$945	\$977	\$977	\$882	\$977

	Apr	May	Jun	TTI
Food	6000	7750	7500	\$21,250
Bev	7500	9300	10500	\$27,300
TTI	\$13,500	\$17,050	\$18,000	\$187,200
7% Rent	\$945	\$1,194	\$1,260	\$13,104

TI PIE 2011

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Food	9300	0	10500	7750	7500	7750	7750	7000	8525	9000
Bev	10850	10850	12000	12400	9000	9300	9300	8400	10075	10500
TTI	\$20,150	\$10,850	\$22,500	\$20,150	\$16,500	\$17,050	\$17,050	\$15,400	\$18,600	\$19,500
7% Rent	\$1,411	\$760	\$1,575	\$1,411	\$1,155	\$1,194	\$1,194	\$1,078	\$1,302	\$1,365

	May	Jun	TTI
Food	10850	12000	\$31,850
Bev	12400	13500	\$36,400
TTI	\$23,250	\$25,500	\$226,500
7% Rent	\$1,628	\$1,785	\$15,855

Wine Valley Catering, Inc.
Income Statement
For the Twelve Months Ending December 31, 2007

	Current Month		Year to Date	
	This Year	Last Year	This Year	Last Year
Revenues				
Food	237,539.31	115,459.36	2,438,371.80	2,641,482.92
Service Charge	54,283.78	27,000.40	607,610.04	624,285.95
Rental Equip	35,258.23	13,480.28	549,679.20	461,070.23
Other Income	2,323.56	399.30	32,713.06	44,131.89
Prior Year Adjust	0.00	0.00	0.00	0.00
Fee Income	0.00	0.00	0.00	0.00
Beverages	1,783.00	4,259.00	110,075.46	164,313.28
Non-Alcoholic Beverage Sales	0.00	0.00	0.00	0.00
Beer Sales	0.00	0.00	0.00	0.00
Wine Sales	0.00	0.00	0.00	0.00
Liquor Sales	0.00	0.00	0.00	0.00
Labor	17,161.00	11,013.38	311,760.51	268,410.45
Resale	0.00	0.00	0.00	0.00
Interest Income	201.59	3.66	4,979.05	227.95
Non Taxable Income	270.00	0.00	(241.83)	(5,063.00)
Non Refundable Deposit	0.00	2,784.21	115.00	3,712.28
Finance Charge Income	0.00	0.00	0.00	0.00
Shipping Charges Reimbursed	0.00	0.00	0.00	0.00
Sales Returns and Allowances	0.00	0.00	0.00	0.00
Sales Discounts	0.00	0.00	0.00	0.00
Interest Inc	0.00	0.00	0.00	0.00
Non Taxable Income	0.00	0.00	0.00	0.00
Total Revenues	348,820.47	174,399.59	4,055,062.29	4,202,571.95
Cost of Sales				
Food	0.00	0.00	0.00	0.00
Bakery	11,286.69	6,383.21	130,830.38	155,623.65
Meats	13,034.49	7,275.03	187,402.17	208,774.39
Fish-Seafood	6,509.31	2,204.37	83,556.78	113,992.94
Dairy & Cheese	5,761.98	2,076.43	47,012.12	48,715.89

Wine Valley Catering, Inc.
Income Statement

For the Twelve Months Ending December 31, 2007

Produce	14,567.60	6,996.48	147,017.27	162,410.07
Sundries	10,142.78	1,959.99	83,211.11	68,708.09
Ice Carvings	570.00	0.00	9,452.00	9,197.50
Coffee	701.97	344.52	10,068.98	8,186.86
Promo Food Costs	0.00	0.00	0.00	0.00
Non Alcoholic Beverages	4,248.93	0.00	32,305.56	19,407.80
Beer	264.91	0.00	1,220.89	1,366.24
Wine	679.72	0.00	4,896.98	4,198.04
Liquor	0.00	0.00	23.14	104.85
Wages-Kitchen	63,389.79	37,391.99	423,930.02	467,751.35
Wages-Wait Staff	36,664.58	19,046.55	336,133.76	334,112.89
Payroll Taxes	14,619.79	12,229.96	135,479.16	134,736.71
Rentals	23,075.01	4,173.71	418,124.80	388,278.05
Flowers	1,929.51	990.24	23,262.12	26,893.36
Wine & Beverages	0.00	2,770.00	52,144.75	106,999.00
Workers Comp Insurance	6,766.40	7,771.27	51,052.92	40,825.08
Wedding Cakes	122.10	0.00	12,982.23	13,387.40
Truck Rental	6,561.60	1,215.66	25,063.50	37,311.66
Linen Service	996.00	1,295.14	15,535.49	43,911.76
Cost of Sales-Salaries and Wag	0.00	0.00	0.00	0.00
Freight	0.00	0.00	0.00	0.00
Inventory Adjustments	0.00	0.00	0.00	0.00
Purchase Returns and Allowance	0.00	0.00	0.00	0.00
Purchase Discounts	(776.91)	(100.03)	(10,613.45)	(12,071.12)
Total Cost of Sales	221,116.25	114,024.52	2,220,092.68	2,382,792.46
Gross Profit	127,704.22	60,375.07	1,834,969.61	1,819,779.49
Expenses				
Default Purchase Expense	0.00	0.00	0.00	0.00
Advertising Expense	0.00	720.81	2,140.44	15,183.98
Amortization Expense	0.00	0.00	0.00	0.00
Auto Expenses	3,139.53	3,616.05	26,272.92	23,928.73

Wine Valley Catering, Inc.

Income Statement

For the Twelve Months Ending December 31, 2007

Bad Debt Expense	(4,098.95)	1,318.27	1,181.06	1,354.12
Bank Charges	1,321.95	1,011.46	21,451.56	23,954.25
Cash Over and Short	(0.08)	0.00	96.44	(47.43)
Charitable Contributions Exp	30.00	0.00	960.00	4,458.00
Commissions and Fees Exp	0.00	0.00	2,644.75	2,817.78
Depreciation Expense	8,126.00	8,126.00	8,126.00	8,126.00
Dues and Subscriptions Exp	133.86	1,008.97	6,269.96	5,160.37
Employee Benefits	2,617.33	0.00	4,914.37	7,087.80
Finance Charges	108.47	137.17	820.91	748.34
Freight Expense	0.00	0.00	0.00	21.95
Gifts Expense	44.16	0.00	110.44	0.00
Income Tax Expense	0.00	5,190.00	0.00	5,190.00
Insurance Expense	4,005.34	7,708.60	67,472.88	62,962.08
Ins Exp-employer	0.00	0.00	0.00	0.00
Interest Expense	0.00	0.00	389.36	144.46
Kitchen Tools	1,081.22	0.00	3,699.57	10,115.92
Laundry and Cleaning Exp	41.00	0.00	762.99	983.99
Legal and Professional Expense	1,350.00	0.00	6,632.13	2,694.00
Licenses & Permit Expense	810.00	245.00	7,482.90	8,502.43
Loss on NSF Checks	0.00	0.00	0.00	0.00
Maintenance Expense	2,327.74	1,364.82	27,170.42	38,306.11
Meals and Entertainment Exp	989.38	1,353.15	13,702.74	10,871.78
Office Expense	1,701.09	5,017.23	25,175.65	21,385.58
Operating Supplies Expense	6,699.14	2,961.16	82,862.50	80,499.18
Outside Services	6,991.54	5,191.87	151,652.82	140,712.93
Penalties and Fines Exp	0.00	0.00	0.00	60.00
Postage Expense	467.16	445.55	1,919.99	1,923.90
Property Tax Expense	0.00	0.00	456.25	465.27
Rent or Lease Expense	36,018.96	7,405.42	130,163.91	90,582.33
Seminars	0.00	1,016.55	1,897.56	2,973.55
Simple IRA	1,687.69	2,016.95	20,334.49	19,584.09
Telephone Expense	2,255.33	2,932.64	24,536.57	20,418.56
Travel Expense	4,666.38	1,310.12	39,955.15	43,477.38
Wages-Administration	86,152.18	70,028.39	518,082.03	520,489.25
Wages-Officers	21,151.64	20,624.44	280,285.92	269,715.94

Wine Valley Catering, Inc.
Income Statement

For the Twelve Months Ending December 31, 2007

Utilities Expense	2,529.53	2,347.93	36,527.80	36,703.63
Miscellaneous Expenses	421.65	0.00	421.65	207.55
Cost Allocation Adjustment	0.00	0.00	0.00	0.00
Purchase Disc-Expense Items	0.00	0.00	0.00	0.00
Gain/Loss on Sale of Assets	0.00	0.00	0.00	0.00
State Tax	0.00	0.00	0.00	0.00
Penalties	0.00	0.00	0.00	0.00
Total Expenses	192,769.24	153,098.55	1,516,574.13	1,481,763.80
Net Income	(65,065.02)	(92,723.48)	318,395.48	338,015.69

Wine Valley Catering, Inc.
Income Statement
For the Twelve Months Ending December 31, 2006

	Current Month This Year	Current Month Last Year	Year to Date This Year	Year to Date Last Year
Revenues				
Food	115,459.36	147,855.12	2,641,482.92	2,535,206.02
Service Charge	27,000.40	29,033.61	624,285.95	536,784.00
Rental Equip	13,480.28	9,573.24	461,070.23	402,186.26
Other Income	399.30	1,143.07	44,131.89	49,146.50
Prior Year Adjust	0.00	0.00	0.00	0.00
Fee Income	0.00	0.00	0.00	0.00
Beverages	4,259.00	1,370.40	164,313.28	134,039.40
Non-Alcoholic Beverage Sales	0.00	0.00	0.00	0.00
Beer Sales	0.00	0.00	0.00	0.00
Wine Sales	0.00	0.00	0.00	0.00
Liquor Sales	0.00	0.00	0.00	0.00
Labor	11,013.38	8,207.21	268,410.45	217,995.80
Resale	0.00	0.00	0.00	0.00
Interest Income	3.66	52.81	227.95	902.28
Non Taxable Income	0.00	(226.02)	(5,063.00)	3,849.52
Non Refundable Deposit	2,784.21	0.00	3,712.28	1,160.09
Finance Charge Income	0.00	0.00	0.00	0.00
Shipping Charges Reimbursed	0.00	0.00	0.00	0.00
Sales Returns and Allowances	0.00	0.00	0.00	0.00
Sales Discounts	0.00	0.00	0.00	0.00
Interest Inc	0.00	0.00	0.00	0.00
Non Taxable Income	0.00	0.00	0.00	0.00
Total Revenues	174,399.59	197,009.44	4,202,571.95	3,881,269.87
Cost of Sales				
Food	0.00	0.00	0.00	0.00
Bakery	6,383.21	10,365.04	155,623.65	153,111.14
Meats	7,275.03	8,597.61	208,774.39	191,288.36
Fish-Seafood	2,204.37	2,535.96	113,992.94	83,043.58
Dairy & Cheese	2,076.43	2,090.44	48,715.89	47,742.02

Wine Valley Catering, Inc.
Income Statement

For the Twelve Months Ending December 31, 2006

Produce	6,996.48	9,103.46	162,410.07	151,769.66
Sundries	1,959.99	3,419.83	68,708.09	65,580.79
Ice Carvings	0.00	1,340.00	9,197.50	8,844.40
Coffee	344.52	347.52	8,186.86	7,952.88
Promo Food Costs	0.00	0.00	0.00	0.00
Non Alcoholic Beverages	0.00	736.11	19,407.80	22,014.18
Beer	0.00	0.00	1,336.24	483.49
Wine	0.00	0.00	4,198.04	6,074.22
Liquor	0.00	0.00	104.85	40.23
Wages-Kitchen	37,391.99	44,727.09	467,751.35	452,096.27
Wages-Wait Staff	19,046.55	23,313.72	334,112.89	319,641.22
Payroll Taxes	12,229.96	14,027.61	134,736.71	136,022.41
Rentals	4,173.71	(3,496.52)	388,278.05	304,986.86
Flowers	990.24	194.56	26,893.36	11,259.39
Wine & Beverages	2,770.00	0.00	106,999.00	84,857.61
Workers Comp Insurance	7,771.27	3,328.61	40,825.08	35,810.17
Wedding Cakes	0.00	0.00	13,387.40	10,952.60
Truck Rental	1,215.66	2,501.51	37,311.66	31,455.36
Linen Service	1,295.14	2,140.02	43,911.76	59,206.47
Cost of Sales-Salaries and Wag	0.00	0.00	0.00	0.00
Freight	0.00	0.00	0.00	0.00
Inventory Adjustments	0.00	0.00	0.00	0.00
Purchase Returns and Allowance	0.00	0.00	0.00	0.00
Purchase Discounts	(100.03)	(908.27)	(12,071.12)	(13,367.58)
Total Cost of Sales	114,024.52	124,364.90	2,382,792.46	2,170,865.73
Gross Profit	60,375.07	72,644.54	1,819,779.49	1,710,404.14

Expenses	0.00	0.00	0.00	0.00
Default Purchase Expense	720.81	61.48	15,183.98	2,256.14
Advertising Expense	0.00	0.00	0.00	0.00
Amortization Expense	342.00	342.00	23,928.73	8,464.59
Auto Expenses				

Wine Valley Catering, Inc.

Income Statement

For the Twelve Months Ending December 31, 2006

Bad Debt Expense	1,318.27	0.00	1,354.12	8,013.96
Bank Charges	1,011.46	2,221.42	23,954.25	21,128.89
Cash Over and Short	0.00	23.82	(47.43)	42.34
Charitable Contributions Exp	0.00	0.00	4,458.00	1,275.00
Commissions and Fees Exp	0.00	87.12	2,817.78	10,487.88
Depreciation Expense	0.00	7,529.00	0.00	7,529.00
Dues and Subscriptions Exp	1,008.97	735.00	5,160.37	3,568.15
Employee Benefits	0.00	539.62	7,087.80	7,151.34
Finance Charges	137.17	66.19	748.34	1,006.09
Freight Expense	0.00	23.73	21.95	48.73
Gifts Expense	0.00	0.00	0.00	0.00
Income Tax Expense	0.00	0.00	0.00	0.00
Insurance Expense	7,708.60	(4,936.83)	62,962.08	41,781.06
Ins Exp-employer	0.00	9,552.68	0.00	9,552.68
Interest Expense	0.00	0.00	144.46	254.81
Kitchen Tools	0.00	0.00	10,115.92	15,152.95
Laundry and Cleaning Exp	0.00	100.00	983.99	1,598.65
Legal and Professional Expense	0.00	0.00	2,694.00	8,048.08
Licenses & Permit Expense	245.00	50.00	8,502.43	6,441.87
Loss on NSF Checks	0.00	0.00	0.00	0.00
Maintenance Expense	1,364.82	5,050.85	38,306.11	36,835.06
Meals and Entertainment Exp	1,353.15	2,012.06	10,871.78	11,421.52
Office Expense	2,196.23	1,863.40	18,564.58	23,797.32
Operating Supplies Expense	2,961.16	5,946.80	80,499.18	78,789.06
Outside Services	5,191.87	10,151.65	140,712.93	77,157.47
Penalties and Fines Exp	0.00	195.57	60.00	195.57
Postage Expense	445.55	352.55	1,923.90	2,052.00
Property Tax Expense	0.00	0.00	465.27	492.48
Rent or Lease Expense	7,405.42	7,450.00	90,582.33	89,400.00
Seminars	1,016.55	0.00	2,973.55	990.50
Simple IRA	2,016.95	1,777.14	19,584.09	15,894.88
Telephone Expense	2,932.64	2,325.82	20,418.56	29,752.98
Travel Expense	1,310.12	3,600.65	43,477.38	44,411.98
Wages-Administration	70,028.39	65,483.17	520,489.25	446,651.94
Wages-Officers	20,624.44	23,269.84	269,715.94	274,995.45

Wine Valley Catering, Inc.
Income Statement

For the Twelve Months Ending December 31, 2006

Utilities Expense	2,347.93	2,288.55	36,703.63	31,879.05
Miscellaneous Expenses	0.00	0.00	207.55	0.00
Cost Allocation Adjustment	0.00	0.00	0.00	0.00
Purchase Disc-Expense Items	0.00	0.00	0.00	0.00
Gain/Loss on Sale of Assets	0.00	0.00	0.00	0.00
State Tax	0.00	5,889.00	0.00	5,889.00
Penalties	0.00	0.00	0.00	0.00
Total Expenses	136,961.55	154,052.28	1,465,626.80	1,324,408.47
Net Income	(76,586.48)	(81,407.74)	354,152.69	385,995.67

Wine Valley Catering, Inc.
Income Statement
For the Twelve Months Ending December 31, 2005

	Current Month This Year	Current Month Last Year	Year to Date This Year	Year to Date Last Year
Revenues				
Food	147,855.12	146,190.29	2,535,206.02	2,189,106.57
Service Charge	29,033.61	30,754.28	536,784.00	454,850.43
Rental Equip	9,573.24	17,583.77	402,186.26	421,295.86
Other Income	1,143.07	(2,200.54)	49,146.50	48,500.00
Prior Year Adjust	0.00	0.00	0.00	0.00
Fee Income	0.00	0.00	0.00	0.00
Beverages	1,370.40	3,435.33	134,039.40	95,281.75
Non-Alcoholic Beverage Sales	0.00	0.00	0.00	0.00
Beer Sales	0.00	0.00	0.00	0.00
Wine Sales	0.00	0.00	0.00	0.00
Liquor Sales	0.00	0.00	0.00	0.00
Labor	8,207.21	8,047.04	217,995.80	186,562.58
Resale	0.00	0.00	0.00	0.00
Interest Income	52.81	96.63	902.28	1,878.90
Non Taxable Income	(226.02)	1,293.00	3,849.52	16,948.34
Non Refundable Deposit	0.00	0.00	1,160.09	4,218.16
Finance Charge Income	0.00	0.00	0.00	0.00
Shipping Charges Reimbursed	0.00	0.00	0.00	0.00
Sales Returns and Allowances	0.00	0.00	0.00	0.00
Sales Discounts	0.00	0.00	0.00	(50.60)
Interest Inc	0.00	0.00	0.00	0.00
Non Taxable Income	0.00	0.00	0.00	0.00
Total Revenues	197,009.44	205,199.80	3,881,269.87	3,418,591.99
Cost of Sales				
Food	0.00	0.00	0.00	0.00
Bakery	10,365.64	11,127.60	153,111.14	114,759.59
Meats	8,597.61	11,184.01	191,288.36	170,291.00
Fish-Seafood	2,535.96	3,660.28	83,043.58	78,670.66
Dairy & Cheese	2,090.44	3,388.42	47,742.02	36,240.78

Wine Valley Catering, Inc.
Income Statement

For the Twelve Months Ending December 31, 2005

Produce	9,103.46	8,692.14	151,769.66	124,606.39
Sundries	3,419.83	4,030.49	65,580.79	60,420.08
Ice Carvings	1,340.00	1,271.45	8,844.40	7,695.81
Coffee	347.52	596.40	7,952.88	7,086.36
Promo Food Costs	0.00	0.00	0.00	0.00
Non Alcoholic Beverages	736.11	884.88	22,014.18	22,304.67
Beer	0.00	143.98	483.49	1,264.56
Wine	0.00	1,325.30	6,074.22	15,122.36
Liquor	0.00	0.00	40.23	0.00
Wages-Kitchen	44,727.09	24,404.95	452,096.27	365,832.86
Wages-Wait Staff	23,313.72	17,718.35	319,641.22	297,067.31
Payroll Taxes	14,027.61	8,089.82	136,022.41	119,451.25
Rentals	(3,496.52)	11,982.38	304,986.86	368,322.01
Flowers	194.56	1,774.22	11,259.39	15,800.02
Wine & Beverages	0.00	1,650.00	84,857.61	59,092.41
Workers Comp Insurance	3,328.61	3,331.37	35,810.17	40,110.80
Wedding Cakes	0.00	105.00	10,952.60	15,655.25
Truck Rental	2,501.51	2,504.91	31,455.36	25,488.53
Linen Service	2,140.02	3,768.96	59,206.47	55,609.73
Cost of Sales-Salaries and Wag	0.00	0.00	0.00	0.00
Freight	0.00	0.00	0.00	0.00
Inventory Adjustments	0.00	0.00	0.00	0.00
Purchase Returns and Allowance	0.00	0.00	0.00	0.00
Purchase Discounts	(908.27)	(998.96)	(13,367.58)	(9,205.79)
Total Cost of Sales	124,364.90	120,635.95	2,170,865.73	1,991,686.64
Gross Profit	72,644.54	84,563.85	1,710,404.14	1,426,905.35
Expenses				
Default Purchase Expense	0.00	0.00	0.00	0.00
Advertising Expense	61.48	2,171.00	2,256.14	7,607.68
Amortization Expense	0.00	0.00	0.00	0.00
Auto Expenses	342.00	55.26	8,464.59	10,527.99

Wine Valley Catering, Inc.

Income Statement

For the Twelve Months Ending December 31, 2005

Bad Debt Expense	0.00	(318.19)	8,013.96	5,959.00
Bank Charges	2,221.42	698.05	21,128.89	10,278.27
Cash Over and Short	23.82	6.00	42.34	41.63
Charitable Contributions Exp	0.00	0.00	1,275.00	500.00
Commissions and Fees Exp	87.12	940.00	10,487.88	11,088.98
Depreciation Expense	7,529.00	67,769.00	7,529.00	67,769.00
Dues and Subscriptions Exp	735.00	700.00	3,568.15	3,885.23
Employee Benefits	539.62	1,961.35	7,151.34	9,056.37
Finance Charges	66.19	53.49	1,006.09	732.29
Freight Expense	23.73	0.00	48.73	0.00
Gifts Expense	0.00	0.00	0.00	0.00
Income Tax Expense	0.00	0.00	0.00	0.00
Insurance Expense	(4,936.83)	(5,074.58)	41,781.06	55,947.90
Ins Exp-employer	9,552.68	9,192.00	9,552.68	9,192.00
Interest Expense	0.00	0.00	254.81	0.00
Kitchen Tools	0.00	0.00	15,152.95	2,415.42
Laundry and Cleaning Exp	100.00	60.50	1,598.65	1,206.00
Legal and Professional Expense	0.00	0.00	8,048.08	7,326.00
Licenses & Permit Expense	50.00	221.00	6,441.87	4,020.84
Loss on NSF Checks	0.00	0.00	0.00	0.00
Maintenance Expense	5,050.85	1,257.28	36,835.06	33,280.00
Meals and Entertainment Exp	2,012.06	1,011.59	11,421.52	14,362.87
Office Expense	1,863.40	689.66	23,797.32	15,545.23
Operating Supplies Expense	5,946.80	3,996.50	78,789.06	54,103.03
Outside Services	10,151.65	2,953.66	77,157.47	39,487.94
Penalties and Fines Exp	195.57	0.00	195.57	0.00
Postage Expense	352.55	0.00	2,052.00	1,938.93
Property Tax Expense	0.00	0.00	492.48	452.17
Rent or Lease Expense	7,450.00	7,450.00	89,400.00	86,900.00
Seminars	0.00	10.00	990.50	459.00
Simple IRA	1,777.14	1,378.37	15,894.88	12,867.15
Telephone Expense	2,325.82	1,220.42	29,752.98	19,162.94
Travel Expense	3,600.65	5,618.34	44,411.98	40,241.03
Wages-Administration	65,483.17	25,191.66	446,651.94	329,502.02
Wages-Officers	23,269.84	24,931.32	274,995.45	278,021.90

Wine Valley Catering, Inc.
Income Statement

For the Twelve Months Ending December 31, 2005

Utilities Expense	2,288.55	1,942.47	31,879.05	30,274.63
Miscellaneous Expenses	0.00	0.00	0.00	0.00
Cost Allocation Adjustment	0.00	0.00	0.00	0.00
Purchase Disc-Expense Items	0.00	0.00	0.00	0.00
Gain/Loss on Sale of Assets	0.00	0.00	0.00	0.00
State Tax	5,889.00	4,657.00	5,889.00	4,657.00
Penalties	0.00	0.00	0.00	0.00
Total Expenses	154,052.28	160,743.15	1,324,408.47	1,168,810.44
Net Income	(81,407.74)	(76,179.30)	385,995.67	258,094.91

Best Beverage Catering
Statement Of Earning
For the Year Ended
December 31, 2007

Revenue		
Sales and Concession Fees	14,011,704	
Less Cost Of Sales		
Food and Beverage Costs	3,480,999	
Rentals of Equipment	539,497	
Concession Fees	2,367,913	
Other Cost of Sales	<u>59,424</u>	
Total Cost Of Sales	6,447,833	0.460175
Gross Profit	7,563,871	
Less Expenses		
Advertising	5,315	
Bank Charges and merchant discount	82,937	
Dues and Subscriptions	13,281	
Insurance Liability an Health	447,492	
Interest	21,562	
Office supplies and postage	94,499	
Legal and accounting	148,036	
Payroll sales and customer service	5,364,009	
Payroll taxes	562,963	
Other services	4,671	
Rent	185,115	
Repairs and maintenance	39,012	
Tax and license	22,399	
Travel and lodging	165,205	
Utilities and telephone	147,819	
Vehicle Expense	147,754	
Miscellaneous	<u>22,035</u>	
Total Expenses	<u>7,474,104</u>	
Net Operating Income	<u>89,767</u>	

Best Beverage Catering
Balance Sheet
December 31, 2006

Assets

Current Assets	
Cash	288,525
Accounts receivable	123,235
Inventory	<u>238,008</u>

Total Current Assets	649,768
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Fixed Assets

Equipment	138,786
Furniture and Fixtures	133,898
Vehicles	160,038
Liquor Licenses	182,709
Less Accumulated Depreciation	<u>-251,934</u>
Net Fixed assets	363,497

Other Assets

Investment In Tack Room Tavern	377,428
Security Deposit	10,798
Preopening expenses	<u>72,330</u>
Total Other Assets	460,556

Total Assets	<u><u>1,473,821</u></u>
--------------	-------------------------

Liabilities and Stockholders Equity

Current liabilities

Accounts Payable	633,896
Sales Tax Payable	67,091
Line Of Credit	<u>125,455</u>
Total Current Liabilities	826,442

Long Term Liabilities

Notes payable	109,820
Loan Payable Officer	205,665
Other Long term Concession Fees	<u>404,800</u>
Long Term Liabilities	720,275

Total Liabilities	<u><u>1,546,717</u></u>
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Stockholders Equity

Common Stock	90,514
Retained Earnings	-220,672
Current Years Earnings	<u>57,262</u>
Total Stockholders Equity	-72,896

Total Liabilities and Stockholders Equity	<u><u>1,473,821</u></u>
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**Best Beverage Catering
Statement Of Earning
For the Year Ended
December 31, 2006**

Revenue	
Sales and Concession Fees	14,417,114
Less Cost Of Sales	
Food and Beverage Costs	3,582,375
Rentals of Equipment	550,711
Concession Fees	2,279,183
Other Cost of Sales	113,420
Total Cost Of Sales	<u>6,525,689</u>
Gross Profit	7,891,424
Less Expenses	
Advertising	11,954
Bank Charges	88,534
Marketing	9,319
Decorating Expense	1,516
Delivery Costs	3,776
Dues and Subscriptions	74,865
Insurance	658,701
Interest	22,062
Office supplies and postage	21,559
Legal and accounting	177,616
Outside services	38,765
Payroll salaries and wages	5,202,234
Payroll taxes	532,788
Other services	32,859
Promotion	632
Rent	320,913
Repairs and maintenance	106,341
Seminars and meetings	574
Tax and license	23,041
Travel and lodging	141,876
Utilities	178,467
Vehicle Expense	183,996
Miscellaneous	2,560
Total Expenses	<u>7,834,948</u>
Net Operating Income	56,476
Interest Income	<u>786</u>
Net Income	<u><u>57,262</u></u>

**Best Beverage Catering
Balance Sheet
December 31,2005**

Assets

Current Assets	
Cash	278,815
Accounts Receivable	169,527
Inventory	377,368
Total Current Assets	<u>\$825,710</u>
Fixed Assets	
Equipment	102,270
Leasehold Improvements	77,500
Furniture and Fixtures	44,498
Vehicles	225,413
Accumulated Depreciation	-278,883
Net Fixed Assets	<u>\$170,797</u>
Other Assets	
Tack Room Tavern	137,822
Lafayette Hotel	76,350
Security Deposits	38,798
Liquor Licenses	180,320
Preopening	124,010
Accumulated Amortization	-104,000
Total Other assets	<u>\$453,300</u>
Total Assets	<u><u>\$1,449,808</u></u>

Liabilities and Stockholders Equity

Current Liabilities	
Accounts Payable	895,208
Credit Card Payable	50,055
Sales Tax Payable	177,543
Total Current Liabilities	<u>1,122,804</u>
Long Term Liabilities	
Notes Payable	<u>272,440</u>
Total Liabilities	\$1,395,244
Stockholder Note Payable	197,483
Stockholders Equity	
Common Stock	90,514
Retainer Earnings	-277,231
Current Years Earnings	43,798
Total Stockholders Equity	<u><u>-142,919</u></u>
Total Liabilities and Equity	<u><u>\$1,449,808</u></u>

**Best Beverage Catering
Statement of Earnings
For the Twelve Months Ending
December 31,2005**

Sales	12,576,011
Cost Of Sales	3,223,001
Rentals	564,750
Commissions	2,216,878
Total Cost of Sales	<u>6,004,629</u>
Gross Profit	6,571,382
Laundry	645
Permits	34,350
Miscellaneous	4,855
Advertising	6,835
Bad Debt	4,375
Bank Charges	61,733
Depreciation	61,693
Donations	6,495
Decoration Expense	4,956
Dues and Subscriptions	45,825
Insurance	633,070
Interest	48,071
Office	33,907
Outside Service	153,668
Payroll Costs	4,583,578
Professional Fees	187,180
Promotion	1,398
Rent	186,486
Repairs	43,678
Semlnars and meetings	290
Tax and Lisc	5,744
Travel	153,397
Utilities	174,299
Vehicle Expenses	<u>91,056</u>
Total Expenses	<u>6,527,584</u>
Net Income	<u><u>43,798</u></u>

Best Beverage Catering
Balance Sheet
December 31, 2007

Assets	
Current Assets	82,029
Cash	236,853
Accounts receivable	239,828
Inventory	
Total Current Assets	558,710
Fixed Assets	321,495
Equipment	133,897
Furniture and Fixtures	160,037
Vehicles	229,309
Liquor Licenses	-447,488
Less Accumulated Depreciation	397,250
Net Fixed assets	
Other Assets	377,428
Investment In Tack Room Tavern	17,446
Security Deposit	46,680
Preopening expenses	441,554
Total Other Assets	
	<u>1,397,514</u>
Total Assets	
Liabilities and Stockholders Equity	
Current liabilities	610,932
Accounts Payable	65,668
Sales Tax Payable	67,000
Line Of Credit	763,600
Total Current Liabilities	
Long Term Liabilities	53,483
Notes payable	221,145
Notes payable Officer	415,791
Other Long term Concession Fees	690,419
Long Term Liabilities	
	<u>1,454,019</u>
Total Liabilities	
Stockholders Equity	90,514
Common Stock	-236,786
Retained Earnings	89,767
Current Years Earnings	-56,505
Total Stockholders Equity	
	<u>1,397,514</u>
Total Liabilities and Stockholders Equity	

TESTIMONIALS

"We appreciate all the hard work and professionalism the staff displayed. Thank you for your attention to detail and for accommodating all our needs. We couldn't have done it without you!"

- Susann Muer
PGL, Destination Management Professional

"Working with BBC is a treat! Their menus are creative and presentation is always fresh, fun and innovative. Rock & Roll catering is uniquely challenging, yet the BBC staff always deal with last minute changes with grace, humor and professionalism. The artists we work with have very high standards and we are pleased that our partnership with BBC allows us to provide an exceptional culinary experience at the Greek Theater."

- Mary Conde
Another Planet Entertainment

"BBC was instrumental in bringing the level of both service and aesthetics up to the standard set by La Costa Resort & Spa. We would highly recommend Best Beverage Catering for your catering and/or concessions needs."

- Jane Stratton, President
Promotion Sports, Inc. / Acura Tennis Classic

"(BBC's) performance has been stellar. BBC has shown quick response to any requests or demands...shown substantial sales increases in concessions resulting in higher percentages for our organization...and menus have been easily tailored to accommodate the specific shows in production. Their marketing efforts and close relationships with liquor companies have resulted in unexpected benefits to the overall product. Best Beverage Catering's professionalism on the floor is matched only by their steadfastness in following the rules set down by the Department of Alcoholic Beverage Control (ABC). I would highly recommend their services."

- Greg Holland, CEO
Shorenstein Hays / Nederlander Theaters
Curran Theater, Golden Gate Theater, Orpheum Theater, San Francisco

"(BBC) did an excellent job in providing La Costa and our guests with quality products and meeting our high standards and expectations. We would highly recommend anyone considering working with Best Beverage to go forward and develop a relationship with this fine company..."

- Nancy Paliani, Director of Food & Beverage
The La Costa Resort & Spa

"BBC has not only been able to grow right along with our company, but exceed our customer service, performance and product expectations."

- Jennifer Hundley, Director
Regency Center, San Francisco

REFERENCES

Robert del Mas
Director of Operations
Tack Room Tavern @
The Empire Polo Club
81-800 Avenue
Indio, CA 92201
(760) 342-2762

Elizabeth Green
Café Fresh @
The Gift Center & JewelryMart
888 Brannan Street
San Francisco, CA
415-436-6040

Rick Bates
The Warfield
26 Taylor Street
San Francisco, CA
415-345-0900

Deborah Granelli
The Regency Building
San Francisco, CA
415-345-0577

Jill Schnaps
Café 101 @ The Galleria
Design Center
101 Henry Adams
San Francisco, CA
415-490-5861

Skip Page
Golden Voice / AEG
323-930-7130
Coachella
Regency
Warfield

Steve Welkom
Another Planet
510-548-3010
Greek Theater
Treasure Island
Outside Lands

BIG EVENT EXPERIENCE

UPDATED January 2009

April & May 2009 - 2007
Indio, CA

Stagecoach Music Festival
Full Concession Service & VIP Hospitality Catering
Vendor Coordination & 24hr. Camping F&B Operation
60,000 Attendees

April 2009 - 2001
Indio, CA

Coachella Valley Art and Music Festival
Full Concession Service & VIP Hospitality Catering
Vendor Coordination & 24hr. Camping F&B Operation,
180,000 Attendees

Mar & Feb 2009 - 2002
Indian Wells, CA

Pacific Life Open Tennis Tournament
Full Concession Staffing Services

February 2009 - 2007
All Cities in California

Amgen Bike Tour of California presented by AEG Live
Hospitality & Concession Services

February 2009 - 2004
Tampa / Phoenix
Miami / Detroit
Jacksonville / San Diego

Super Bowl
NFL Tailgate Party
Full Beverage Service
9,000 attendees

November 2008 - 2007
San Francisco, CA

Esurance Icer Air Extreme Sporting Event
Full Concession Services
15,000 attendees over two days

November 2008
San Francisco, CA

Red Bull Soap Box Race
Full Concession Services / Hospitality Catering
100,000 attendees

October 2008
San Francisco, CA

Exotic Erotic Ball & Trade Show
Full Concession Services
100,000 attendees

October 2008 - 2006
Los Angeles

LA Weekly Detour
Full Concession Services & Vendor Coordination
15,000 - 30,000 attendees

September 2008 - 2007
San Francisco, CA

Treasure Island Music Festival
Full Concession Services, VIP Concessions & Bar
20,000 Attendees over two days

Aug 08 - Portland, OR
Aug 04 - Cleveland, OH
Jul 04 - Portland, OR
Apr 04 - Miami, FL
Oct 03 - San Francisco, CA

Red Bull Flugtag
Full Concession Services
Participant & Staff Hospitality
30,000 attendees per event

August 2008
San Francisco, CA

Outside Lands Music Festival
Full Concession Services, VIP Concessions & Bar
150,000 Attendees over three days

Jun - Sep 2008, 2007,
2005, 2004
San Francisco, San Diego

AVP Pro Beach Volleyball Tour
Full Concessions Services
VIP Hospitality, Staff, Media and Athlete Catering
3,000 attendees per date

Jun - Aug 08 - 01
San Francisco, Fullerton,
Lake Tahoe, Long Beach, Ventura,
Pomona and Orlando FL.

Vans Warp Tour
Full Concession Services & Vendor Coordination
Ventura, 10-20,000 attendees per show

June 2008 - 2006 La Jolla, CA	La Jolla Arts Festival Full Concessions Services & Vendor Coordination 10,000 to 20,000 attendees over 2 days
May 2008 - 2002 San Francisco, CA	Bay-to-Breakers, Footstock VIP Hospitality Services Full Concessions Services & Vendor Coordination 30,000 attendees per year
April - October 2008 Alpine, CA	Viejas Casinos Concert in the Park Series Full Concessions Services & Vendor Coordination 200 - 2500 attendees per show
March 2008 - 2006 Miami, FL	Ultra Music Festival Full Food Concessions Services 45,000 Attendees
January 2008 - 2007 Miami, FL	ING Miami Marathon Hospitality & Concession Services
Sep - Oct 07 Brooklyn, NY & Los Angeles, CA	BLIVE - Concert Series Sponsored by Bacardi Full Concession Services & VIP Bar Services 6,000 - 10,000 attendees per show
August 2007 San Francisco, CA	Rock the Bells Hip Hop Concert Full Concession Services, VIP Concessions & VIP Bar 60,000 Attendees
Jul - Aug 07 - 04 Carlsbad, CA	Acura Tennis Classic Full Concession Services, VIP Concessions Staff & Volunteer Hospitality, Café Management 80,000 Attendees
Sep 06 & 05 Venice, CA	Abbot Kinney Street Festival Concession Services & Vendor Coordination 80,000 Attendees
September 06, 05 San Francisco, CA	Love Parade - San Francisco Food & Alcoholic Beverage Concessions 100,000 Attendees
Sep 06 - 1999 San Francisco, CA	Alice Radio - Now & Zen Festival - ("Jewel", "Beck", "Cake", "Train") Full Beverage Concession & VIP/Backstage Hospitality Catering 18,000 attendees per year
January 2006 Pasadena, CA	Rose Bowl College Football National Championship Tailgate Party Food & Alcoholic Beverage Concessions, Crew, Media & Band Catering 10,000 Attendees
October 2005 Palmdale, CA	X-Box 360 Launch Party Food & Alcoholic Beverage Concessions VIP / Crew / Media / Band /Security Catering 3,000 Attendees
October 2005 San Francisco, CA	Red Bull Air Show VIP / Crew / Media Catering 2,000 Attendees
August 2005 UCSD, San Diego	Jack Johnson Food & Alcoholic Beverage Concessions 35,000 attendees
July 2005, Orange County July 2003, Fullerton, CA July 2000, San Diego, CA	Hootenanny Rockabilly Music Festival & Car Show Concession & Artist Hospitality Services 10,000 attendees

March, 2005, 2004 La Quinta, CA	La Quinta Arts Festival Full Concessions Services, VIP Hospitality Catering Volunteer Catering 8,000 attendees
November 2004	All Tomorrows Parties ATP Pacific ("Lou Reed", "Flaming Lips", "Modest Mouse") Two Day Festival Full Concessions Services / Backstage Beverage Service 4,000 attendees per day
September 2004 San Francisco, CA	Dave Mathews Golden Gate Park Concert Full Concessions Services / VIP Hospitality Beverage Service 60,000 + attendees
January 2004, 2003, 2002, 2001, 2000, 1999 Palm Springs, CA	Bob Hope Chrysler Classic - PGA Tour Full Concession Services / Media, Volunteer and Hospitality Catering 25,000 attendees per day for 5 days per year
November 2003 La Quinta, CA	Skins Game Golf Tournament Full Concessions Services / Media & Hospitality Catering 6,000 attendees per day
Summer Series 03, 02, 01, 1999 San Diego, CA	San Diego Symphony Summer Pops Series Full Concession Services - VIP Champagne Services 2,800 attendees per show
June 2003, 2001, 1999, 1997, San Francisco, CA	Black and White Ball Full Beverage Service 15,000 - 18,000 attendees per year
March 2003 San Diego, CA	Mardi Gras Downtown San Diego - Gaslamp Quarter Beer & Specialty Beverage Service 40,000 Attendees
January 2003 San Diego, CA	Super Bowl XXXVII 5 TH Quarter in the Gaslamp Full Concession Service, Entertainment and Production for Four Day Sponsor Pavilion Areas 100,000 attendees
October 2002 San Francisco, CA	Major League Baseball World Series Client - Party Planners West Complete Beverage Service, Major League Baseball 2800 attendees - Game 4 Complete Beverage Service, SF Giants 1800 attendees - Game 3 & 5
Jul 02, Jul 01, Aug 00 Palm Springs	Battle of Bighorn - Tiger Woods vs. Various Opponents Full Concession Services 8,000 attendees
April 2002 Oakland, CA	California Music Awards Food & Beverage Service for Seated VIPs 1,200 attendees
Jan 01, 00, 99, 98 Pasadena, CA	Rose Bowl Hospitality - Full Beverage Services Client: Tournament of Roses and Academy Tents 1,000 guests
October 2001 Las Vegas, NV	Invensys Classic PGA Tour Full Concession Services 10,000 attendees per day over four days

July 2001 Stanford, CA	Bank of the West Tennis Tournament Hospitality, Media and Athlete Catering 2,500 attendees per day over five days
Aug 00, Jun/Jul 99 San Francisco, CA	ESPN Summer X-Games Full Concession Services 30,000 – 60,000 attendees per day
April 11, 2000 San Francisco, CA	Pac Bell Park SF Giants Opening Day Splash presented by Bill Graham Presents Full Concession Services 20,000 attendees
February 1999 La Costa, CA	World Golf Championship/Anderson Consulting Match Play Hospitality Beverage Service & Concession Service Support Festivities Catering Subcontracted BBC
December 1998 La Quinta, CA	Lexus Challenge Hospitality Beverage Services Full Concessions Services – Partnered with another supplier 2,500 – 10,000 attendees per day
October 1998 San Diego, CA	1998 Baseball World Series Client: Party Planners West Complete Beverage Services - Major League Baseball 2,500 guests – Game 4 Complete Beverage Services – San Diego Padres 1,200 guests – Game 3
June 1998 San Francisco, CA	US Open Golf Tournament Hospitality - Full Beverage Services – 4-day tournament Client: International Hospitality Group 2,000 guests
January 1998 San Diego, CA	Superbowl XXXIII Full Beverage Services – NFL Corporate Hospitality Village 8,000 guests in 24 hospitality tents – pre / pos

CITY AND COUNTY OF SAN FRANCISCO - OFFICE OF THE TREASURER & TAX COLLECTOR

BUSINESS REGISTRATION CERTIFICATE FY 2008-09

CERTIFICATE NO. 365282		LOC. 999	CLASS 07	CLASSIFICATION DESCRIPTION OTHERS BUSINESSES	REVIEW THIS CERTIFICATE BY 02-28-2009	THIS CERTIFICATE EXPIRES ON 06-30-2009
BUSINESS NAME WINE VALLEY CATERING				BUSINESS LOCATION 875 SOUSA LN		

OWNERSHIP **WINE VALLEY INC**
 DBA **WINE VALLEY CATERING**
 MAILING ADDRESS **875 SOUSA LN**
 CITY - STATE **NAPA CA 94559-4001**

TAXPAYER'S SIGNATURE:

DATE ISSUED: **02-05-2008**

George W. Putris

GEORGE W. PUTRIS
 TAX ADMINISTRATOR

MUST BE POSTED CONSPICUOUSLY AT THE BUSINESS LOCATION

READ REVERSE SIDE. NOTIFY THE TAX COLLECTOR IN WRITING OF ANY CHANGE IN OWNERSHIP OR ADDRESS - P.O. BOX 7425, SAN FRANCISCO, 94120 - 7425

STATE OF CALIFORNIA
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
ALCOHOLIC BEVERAGE LICENSE
PORTABLE BAR

EXPIRES

JAN 31, 2009

ID FROM

B 01, 2008

F & B ASSOCIATES INC
540 BARNEVELD AVE
UNIT K
SAN FRANCISCO, CA 94124

NUMBER DUP

80049 -2

RENEWAL

0-24

CODE

BUSINESS ADDRESS
(IF DIFFERENT)

1270 SUTTER ST
SAN FRANCISCO, CA 94109

CONDITIONS

7

OWNERS:

F & B ASSOCIATES INC



IMPORTANT INFORMATION

ACTIVE PERIOD This license is effective only for the operating period shown above. A new license will be sent to you within 30 days before expiration date on your license if payment is timely.

COVERING Cover this license with glass or other transparent material and post it on premises in a conspicuous place

RENEWAL NOTICES Renewal notices are sent to premises address unless a specific mailing address is requested. If a notice is not received 15 days before expiration date shown above, contact the nearest ABC office. To assure receipt of notices, advise your local ABC office of change in address.

RENEWAL DATES It is the licensee's responsibility to pay the required renewal fee by the expiration date shown above. A penalty is charged for late renewal and the license can be automatically revoked for failure to pay.

ADDITIONAL LICENSES It is the licensee's responsibility to pay the required renewal fee prior to the next operating period.

ADDITIONS A copy of all applicable conditions must be kept on premises

LICENSEE NAME Only 10 names will be printed on each license. If there are more names associated with the license, they will be indicated by "ET AL". All names are on file and available upon request from your local ABC office.

A If you change your business name please notify your local ABC office

you have any questions regarding this license, contact your local ABC office.

NOTE: CONTACT YOUR LOCAL ABC OFFICE IF YOUR LICENSED PREMISES WILL BE TEMPORARILY CLOSED FOR MORE THAN 15 DAYS OR WILL BE PERMANENTLY CLOSED.

2029423040

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
07/24/2008 12:00

PRODUCER Barney & Barney LLC
CA Insurance Lic: 0C03950
9171 Towne Centre Drive, Suite 500
San Diego, CA 92122
858-457-3414

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Best Beverage Catering

F&B Associates, Inc.
4901 Morena Blvd., Suite 1107
San Diego, CA 92117

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Wausau Underwriters Insurance Company	26042
INSURER B: National Fire Insurance Company of Hartford	20478
INSURER C: Liberty Surplus Insurance Corporation	10725
INSURER D: RSUI Indemnity Company	22314
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED, THIS CERTIFICATE MAY NOT BE USED TO MODIFY, ALTER, AMEND, EXTEND OR OTHERWISE AFFECT THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN. THIS CERTIFICATE IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF THE POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
C		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	DGLSF184816036	7/24/2008	7/24/2009	EACH OCCURRENCE \$ 1,000.00 DAMAGE TO RENTED PREMISES (EA occurrence) \$ 50,000 MED EXP (Any one person) \$ Exclude PERSONAL & ADV INJURY \$ 1,000.00 GENERAL AGGREGATE \$ 2,000.00 PRODUCTS - COMP/OP AGG \$ 2,000.00
		GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/>				
		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	C2093849719	10/5/2007	10/5/2008	COMBINED SINGLE LIMIT (EA accident) \$ 1,000.00 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
D		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE	NHA221984	7/24/2008	7/24/2009	EACH OCCURRENCE \$ 9,000.00 AGGREGATE \$ 9,000.00 \$ \$ \$
		DEDUCTIBLE RETENTION \$				
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WCJZ91447972018	1/1/2008	1/1/2009	<input checked="" type="checkbox"/> WC STATUS-TORY LIMITS E.L. EACH ACCIDENT \$ 1,000.00 E.L. DISEASE - EA EMPLOYEE \$ 1,000.00 E.L. DISEASE - POLICY LIMIT \$ 1,000.00
C		OTHER Liquor Liability	DGLSF184816036	7/24/2008	7/24/2009	\$1,000,000 Each Cause \$1,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

RE: OPERATIONS PERFORMED BY OR ON BEHALF OF THE NAMED INSURED.

CERTIFICATE HOLDER

PROOF OF INSURANCE PURPOSES ONLY

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAY NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Cynthia Moon

IMPORTANT

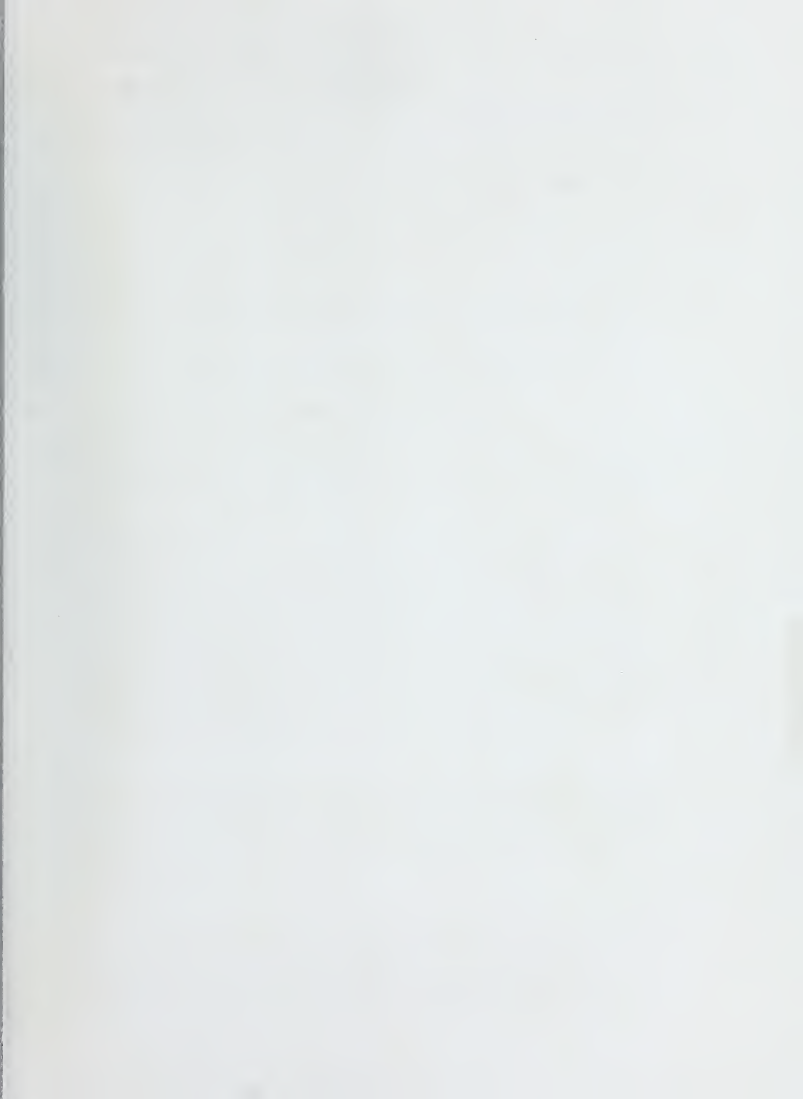
If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.







ASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

MIRIAN SAEZ
DIRECTOR OF THE ISLAND OPERATIONS

Date: 2/11/09

To: Treasure Island Development Authority Board

From: Mirian Saez, Director of Island Operations

Re: Fiscal Year 2009-10 Budget Discussions

As we prepare for the FY 2009-10 budget season, a review of this year's revenue and expense reports is first required.

FY 2008-09 Revenues

The TIDA Budget for FY 2008-09 projected housing revenue at \$6,381,168 which includes the Base Rent, Percentage Rent and Common Area Maintenance charges from John Stewart Company (JSCo), our property manager. The 2008 Mid Year Financial Summary provided by JSCo states that housing revenue exceeded budget by \$481,000. This was due in part to a lower than expected vacancy rate. The TIDA Budget projected commercial revenue at \$864,400. The mid year commercial Revenue Report provided by GSA states that commercial revenue exceeded budget by \$64,262, or 8 percent. This is due in part by our recently realigned leasing team and by our affordable leasing rates, particularly during this economic down turn.

On the expenditure side, Project Staff anticipates savings of some \$350,000 at the end from the Treasure Island YMCA contract which is up for renewal next fiscal year, the Risk Management Work-Order and the Golden Gate International Exposition (GGIE) 70th Anniversary budget. The planned GGIE celebration was rightly curtailed due to the current economy conditions, including the lack of corporate sponsorships.

Unplanned FY 2008-09 Expenditures

Our Capital Improvement Budget has several budget overruns. The main unplanned expense to date is the increased cost of demolition for Buildings 92 and 7. The budgeted amount for the project was \$359,000. The actual cost for the project was \$499,000 due to the need for DPW oversight and to guarantee no additional cost overruns. Also, Project Staff anticipates spending an additional \$200,000 for the

Pavilion by the Bay project due to additional construction requirements associated with wind resistance, installation of two permanent ADA bathrooms, and new transformer. Another unanticipated expense was to Shaw Environmental in the amount of \$44,910 associated with delaying the Navy's remediation work around Hanger 3 to accommodate Oracle World. Finally, \$28,684 was spent for emergency repairs of water lines and fire hydrants on Yerba Buena Island -- deficiencies uncovered after last summer's fire.

FY 2009-10 Budget

Our preliminary projected annual revenue for the next fiscal year is \$9,431,467. That compares to \$11,014,675 in FY 08-09, representing \$1,583,208 less. The decrease is mainly due to anticipated concessions with the SF Fire Department (SFFD). SFFD has a \$1.8 million Work Order (sublease) for use of the Fire Training Academy on Treasure Island and it staffs Station 48 on the Island. In addition, JSCo forecasts a decrease in housing revenue of approximately \$840,000 due to the continued Navy environmental remediation work as well as greater vacancy losses.

On the positive side, our commercial income will continue to rise from \$864,400 to \$1,588,128 due to aggressive marketing of Treasure Island commercial properties — assisting in closing next year's shortfall.

Accordingly, on the expense side, Professional and Specialized Services will be reviewed with an eye to cut expenses by 14%. We anticipate, however, keeping the Work-Orders with the City Departments at the same level as FY 08-09 as we focus on facility management. Our goal is to continue in our efforts to improving the Quality of Life on the Islands.

Project Staff proposes to continue to make Capital Improvements to Treasure Island buildings and land in the amount of \$1,140,000 utilizing the skilled laborers at DPW and PUC. Projects in the pipeline include: demolition of obsolete building on south side of the Island, asbestos removal, new direction and street signage, street paving and stripping, renovation of the Post Office, and the beautification of the west side of the Island, including the front gate and the promenade.

Project Staff anticipates a budget surplus at June 30, 2009 of some \$350,000 in Carry Forwards from reduced expenses and \$130,000 from improved commercial rents. We await the Certified Annual Financial Report (CAFR) to clearly understand our financial position at 6/30/08 but anticipate a positive Fund Balance.

Attached are two preliminary summary spreadsheets of the FY 09-10 revenues and expenses for Treasure Island Development Authority operations exclusive of redevelopment related costs.

ADMINISTRATION		Under GSA's Budget	Under GSA's Budget
MISC-REGULAR (Salaries)		Under GSA's Budget	Under GSA's Budget
RETIRE CITY MISC FRINGE BENEFITS		Under GSA's Budget	Under GSA's Budget
TIDA INTERNSHIP PROGRAM		\$0	\$20,000
TRAVEL COSTS PAID TO EMPLOYEES		\$5,000	\$5,000
TRAINING COSTS PAID TO EMPLOYEES		\$5,000	\$12,000
LOCAL FIELD EXP		\$750	\$750
MEMBERSHIP FEES		\$4,000	\$4,000
PROMOTIONAL AND MARKETING EXPENSE		\$15,000	\$35,000
DELIVERY & POSTAGE (OTHER CURRENT EXPENSES)		\$21,200	\$13,000
OFFICE RENTALS & LEASED EQUIPMENT		\$30,000	\$20,000
OFFICE MATERIALS & SUPPLIES		\$16,000	\$16,000
TOTAL ADMINISTRATION		\$99,950	\$125,750
PROFESSIONAL & SPECIALIZED SERVICES			
TREASURE ISLAND BOYS & GIRLS CLUB HOUSE		\$140,000	\$150,000
THDI-OPERATING CONTRACT		\$175,000	\$175,000
TI GYM OPERATIONS YMCA		\$150,000	\$30,000
MARINE SALVAGE		\$20,000	\$50,000
PUBLIC ART HISTORICAL PERSERVATION		\$0	\$0
GOLDEN GATE INTERNATIONAL EXPOSITION ANNIVERSARY		\$200,000	\$0
SPECIAL EVENTS STAFF		\$7,500	\$0
COMMUNITY BENEFIT FUND (81X State Board Park Project + 75K to DEM \$9,000 outreach Carry Forward FY 07-08 to FY 08-09)		\$144,000	\$15,000
SCAVENGER SERVICES (GOLDEN GATE DISPOSAL)		\$25,000	\$25,000
JANITORIAL SERVICES (Toolworks)		\$150,000	\$150,000
GROUNDNS MAINTENANCE (Rubicon Landscaping) (\$750K Reg. Service \$50K Conting.)		\$850,000	\$800,000
TIDA DIRECTOR'S LIABILITY INSURANCE		\$51,245	\$51,245
CONTINGENCY FUND		\$0	\$0
TOTAL PROFESSIONAL & SPECIALIZED SERVICES		\$1,912,745	\$1,466,245
CITY DEPARTMENT WORK-ORDERS			
DEPARTMENT OF PARKING AND TRAFFIC		\$0	\$17,000
DTIS SERVICES (AAO)		\$16,000	\$16,000
WLF1 Project		\$30,000	\$30,000
DEPT OF EMERGENCY MANAGEMENT			
RISK MANAGEMENT INSURANCE CONSULTING		75K Transfer from CBF FY07-08 to FY 08-09	\$30,000
GENERAL SERVICES AGENCY		\$127,525	\$10,000
GF-CITY ATTORNEY-LEGAL SERVICES (AAO)		\$1,073,602	\$1,105,816
GF-HR MGMT TRAINING (AAO)		\$200,000	\$200,000
IS-PURCH-CENTRAL SHOPS-AUTO MAINT (AAO)		\$3,000	\$3,000
IS-PURCH-CENTRAL SHOPS-FUEL STOCK (AAO)		\$3,000	\$3,000
IS-PURCH-REPRODUCTION (AAO)		\$3,500	\$5,000
GF-PUC-HETCH HETCHY (AAO) (\$350,000 Utility Bills + 300,000 Generators, \$100,000 MOU)		\$25,000	\$25,000
GF-PUC-HETCH HETCHY (AAO)		\$950,000	\$750,000
SR-DPM-BUILDING REPAIR (AAO)		\$1165,562	\$1,200,000
SR-DPM-CONSTRUCTION MGMT (AAO)		\$20,000	\$20,000
SPECIAL CAPITAL IMPROVEMENT PROJECTS		\$910,000	\$1,140,000
TOTAL CITY DEPARTMENT WORK-ORDERS		\$4,427,189	\$4,537,816
SUBTOTAL OPERATIONS EXPENDITURES		\$6,439,884	\$6,129,811
SURPLUS AVAILABLE FOR DISTRIBUTION TO GENERAL FUND			
PROTECTIVE SERVICES SFDD & SFDD		\$4,574,791.00	\$3,301,656
TOTAL OPERATIONS EXPENDITURES		\$11,014,675	\$9,431,467

TIDA 2009-10 REVENUE SOURCES 4/5/09	2008-09 Budget	2009-10 Proposed Budget
Developer Reimbursements	Reclassified as non-revenue	Reclassified as non-revenue
TIDA Special Events Revenues	\$192,350.00	\$150,000.00
Joint Venture Special Events	\$478,800.00	\$572,150.00
TI Commercial Revenues	\$864,400.00	\$1,588,128.00
Film Revenues	\$30,000.00	\$15,000.00
YBI Filming/Ceilites/ Banner Revenues	\$323,400.00	\$320,940.00
Marina Revenues	\$186,635.00	\$102,730.00
John Stewart Company Housing Revenues	\$6,041,482.00	\$5,192,919.00
John Stewart Company Housing CAM Revenues	\$339,608.00	\$339,600.00
SFFD Training Academy	\$1,800,000.00	\$800,000.00
Community Benefit Carry Forwards from FY 2007-08	\$144,000.00	
Carryforwards from FY 2008-09	\$0.00	\$350,000.00
Carryforwards from FY 2007-08	\$300,000.00	
Carryforwards from FY 2005-06	\$314,000.00	
Grand Totals	\$11,014,675.00	\$9,431,467







San Francisco Bay

San Francisco Bay

Building 530 Pipeline Site

Causeway Pipeline Site

Clipper Cove



EBS Parcels

- TRANSFER PARCELS:**
- Future FOST or FOSTET Property
 - TI FOST Property
 - YBI FOST Property
 - California Department of Transportation (Caltrans)
 - Job Corps Property
 - U.S. Coast Guard Property
- INVESTIGATION SITES:**
- Petroleum Program Sites
 - CERCLA Program Sites
 - Site 13

UNDERGROUND STORAGE TANKS:

- Closed
 - Closed via Inactive Fuel Lines CAP
 - Further Investigation
 - NFA Concurrence
 - NFA via Inactive Fuel Lines CAP
 - NFA Requested
 - Never Existed
- ABOVEGROUND STORAGE TANKS:**
- Closed-in-Place
 - Active
 - Inactive
 - Removed
- OIL-WATER SEPARATORS:**
- Potential
 - Removed

- Notes:
- CAP: Corrective Action Plan
 - CERCLA: Comprehensive Environmental Response, Compensation, and Liability Act
 - EBS: Environmental baseline survey
 - FOSET: Finding of suitability for early transfer
 - FOST: Finding of suitability to transfer
 - NFA: No further action
 - TI: Treasure Island
 - USCG: U.S. Coast Guard
 - YBI: Yerba Buena Island



TETRA TECH EM INC

Naval Station Treasure Island
U.S. Department of the Navy, BRAC P/O West, San Diego, CA

FIGURE 1
CERCLA SITES, PETROLEUM SITES, AND TRANSFER PARCELS

Final Site Management Plan 2008

CERCLA AND PETROLEUM RELATED SITE INFORMATION

CERCLA SITE	SITE DESCRIPTION	CONTAMINANTS OF CONCERN	STATUS
SITE 1	Medical Clinic - X-ray and photo processing laboratory was on site.	Silver	Site closed. Received agency concurrence on March 20, 2002.
SITE 2	Radiation Training Area	Radionuclides	Site closed. Site recommended for NFA in 1988 Final PA/SI.
SITE 3	PCB Equipment Storage Area - Area was used to store and repair transformers.	PCBs	Site closed. Received agency concurrence on March 20, 2002.
SITE 5	Old Boiler Plant. Facility was incorporated into Site 24.	Petroleum	Site closed. Merged into Site 24 by letter dated January 17, 2001.
SITE 6	Fire Training School - Area was used for Navy firefighting training for nearly 50 years.	Dioxins, VOCs, SVOCs	Transferred from Petroleum Program on September 18, 2003. Additional investigation (data gap evaluation) is being conducted.
SITE 7	Pesticide Storage Area - Area was used to store pesticides, herbicides, and paint.	Metals, pesticides, herbicides	Site closed. Received agency concurrence on November 1, 2005.
SITE 8	Army Point Sludge Disposal Area - Area was used to dispose of sludge from the wastewater treatment plant for approximately 8 years.	Metals and pesiticides	Interim RI report for Sites 8 and 29 is being finalized.
SITE 9	Foundry - Area was used as a forge and foundry, paint shop, and welding school.	Solvents, lead, petroleum products	Site closed. No Action ROD signed October 2, 2007.
SITE 10	Bus Painting Shop - Shop was used for bus painting, paint mixing, storage of pest control solutions.	Pesticides and SVOCs	Site closed. No Action ROD signed October 2, 2007.
SITE 10	YBI Landfill - Area was used as a landfill for various debris.	TPH, PAHs, VOCs, metals	RI report is being prepared.
SITE 12	Old Bunker Area - Area housed ammunition bunkers, and areas for equipment storage, refuse, and solid waste incineration. Later military housing construction and earth work spread contaminants in surface soil across site.	PCBs, TPH, PAHs, dioxins, arsenic, lead, radiological and debris	Non-time critical removal action in solid waste disposal areas is under way. Additional investigation (soil gas sampling) completed. EE/CA is being prepared for Halyburton Court.
SITE 13	Stormwater Outfalls/Offshore Sediments - Stormwater system conveys water from surface and building drains to the Bay without treatment, and offshore sediments may be contaminated from onshore sites.	Metals, PAHs, PCBs, DDT, TPH	Site closed. No Action ROD signed April 7, 2005.
SITE 17	Tanks 103/104 - Two 200,000-gallon aboveground diesel storage tanks that were incorporated into Site 24.	Petroleum, oil, lubricants	Site closed. Merged into Site 24 by letter dated January 17, 2001.
SITE 18	Possible asbestos contamination on YBI was incorporated into asbestos investigations.	Asbestos	Site closed.
SITE 21	Vessel Waste Oil Recovery Area - Area was used as an oil-water separator facility and for aircraft maintenance.	VOCs and TPH	Treatability study of plume area in operation; Focused FS report is being finalized.
SITE 23	YBI fuel line rupture/land slide was not recommended for further remedial investigation.	NA	Site closed.
SITE 24	Dry Cleaning Facility - Area was used as a laundry and dry cleaning facility for at least 35 years.	Petroleum, oil, lubricants, chlorinated solvents	Treatability study of plume area in operation; RI and Focused FS reports were submitted July 2008.
SITE 27	Clipper Cove Skeet Range - Skeet range was operated for 10 years.	Lead shot, lead, PAHs	FS report is being prepared.
SITE 28	West Side On/Off Ramp - Maintenance of ramps included use of lead-based paint.	Lead	RI report is being finalized.
SITE 29	East Side On/Off Ramp - Maintenance of ramps included use of lead-based paint.	Lead	Interim RI report for Sites 8 and 29 is being finalized.
SITE 30	Daycare Center - Area was undeveloped until 1985 when daycare facility was constructed. Includes burn debris burial	Dioxins, lead, copper	ROD is being prepared.
SITE 31	Former South Storage Yard - Area appears in aerial photos to have been used as a storage yard during the 1970s.	PCBs, PAHs, TPH, lead, copper, DDT, dioxins	ROD is being prepared.
SITE 32	Former Training and Storage Area - Area was used for hazardous materials storage and for tear gas training area and storage. Contains a transformer pad.	PCBs, TPH, dioxins, pesticides	RI report was submitted October 2008. FS to be prepared.
SITE 33	Water Line Replacement Area - Area where debris was observed in water line trench during extensive historical repairs.	Dioxins, PCBs, metals	RI report is being prepared.
PETROLEUM-RELATED SITE	SITE DESCRIPTION	CONTAMINANTS OF CONCERN	STATUS
SITE 4/19	Hydraulic Training School/Refuse Transfer Area - Area housed 15 55-gallon drums of waste oil, and fenced area used for the transfer, holding, and disposal of refuse for approximately 35 years.	Petroleum, oil, lubricants	NFA concurrence letter received from Water Board dated December 17, 2003.
SITE 6	Fire Training School - Area was used for Navy firefighting training for nearly 50 years.	Petroleum fuels and waste, VOCs, SVOCs	Closure report requesting NFA submitted December 16, 2005. Water Board did not concur with request for NFA. Moved to CERCLA Program on September 18, 2003. Groundwater monitoring to be conducted under CERCLA Program.
SITE 14/22	New Fuel Farm/Navy Exchange Service Station - Area was the primary storage and distribution area for fuels for more than 50 years.	Petroleum, oil, lubricants, VOCs	NFA concurrence letter received from Water Board dated July 18, 2005.
SITE 15	Old Fuel Farm - Original fuel storage and distribution facility, much of which was moved to New Fuel Farm by 1945.	Petroleum, oil, lubricants	NFA concurrence letter received from Water Board dated September 2004.
SITE 16	Clipper Cove Tank Farm - Area stored aviation gasoline and automotive diesel for more than 20 years.	Petroleum, oil, lubricants	NFA concurrence letter received from Water Board dated June 17, 2004.
SITE 20	Auto Hobby Shop/Transportation Center - Area has been used for steam cleaning and degreasing vehicles and for storage of hydraulic fluid and recycled oil.	Petroleum, oil, lubricants, VOCs	NFA concurrence letter received from Water Board dated June 17, 2004.
SITE 25	Seaplane Maintenance Area - Three areas are used for storing and maintaining vehicles and seaplanes.	Petroleum, oil, lubricants	Closure report requesting NFA submitted December 7, 2005. Water Board did not concur with request for NFA. Additional investigation (remedial action confirmation sampling) is being conducted.
Pipeline Sites	Inactive fuel pipelines.	Petroleum	NFA concurrence letters for selected pipelines sites received from Water Board on various dates; YF3 and USCG await completion of Caltrans activities.
UST Sites	Underground storage tanks.	Petroleum	Various NFA concurrence letters received; NFA concurrence requested for USTs at Sites 6 and 25, UST 238 on YBI awaits completion of Caltrans activities.

Notes:

Bay	San Francisco Bay
Caltrans	California Department of Transportation
Cal/EPA	California Environmental Protection Agency
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
DDT	Dichlorodiphenyltrichloroethane
EE/CA	Envineering evaluation/cost analysis
FS	Feasibility study
Metals	Chromium, arsenic, beryllium, thallium, lead, manganese, nickel, and cadmium
N/A	Not applicable
NFA	No further action
PAH	Polycyclic aromatic hydrocarbons

PA/SI	Preliminary assessment/site inspection
PCB	Polychlorinated biphenyls
RI	Remedial investigation
ROD	Record of decision
SVOC	Semivolatile organic compounds
TPH	Total petroleum hydrocarbons
UST	Underground storage tank
VOC	Volatile organic compounds
Water Board	Cal/EPA San Francisco Bay Regional Water Quality Control Board
YBI	Yerba Buena Island



**REASURE ISLAND
RELATED SITE INFORMATION**

CONTAMINANTS OF CONCERN	STATUS
Silver	Site closed. Received agency concurrence on March 20, 2002.
Radionuclides	Site closed. Site recommended for NFA in 1988 Final PA/SI.
PCBs	Site closed. Received agency concurrence on March 20, 2002.
Petroleum	Site closed. Merged into Site 24 by letter dated January 17, 2001.
Dioxins, VOCs, SVOCs	Transferred from Petroleum Program on September 18, 2003. Additional investigation (data gap evaluation) is being conducted.
Metals, pesticides, herbicides	Site closed. Received agency concurrence on November 1, 2005.
Metals and pesticides	Interim RI report for Sites 8 and 29 is being finalized.
Solvents, lead, petroleum products	Site closed. No Action ROD signed October 2, 2007.
Pesticides and SVOCs	Site closed. No Action ROD signed October 2, 2007.
TPH, PAHs, VOCs, metals	RI report is being prepared.
AHs, dioxins, arsenic, lead, radiological and debris	Non-time critical removal action in solid waste disposal areas is under way. Additional investigation (soil gas sampling) completed. EE/CA is being prepared for Halyburton Court.
Metals, PAHs, PCBs, DDT, TPH	Site closed. No Action ROD signed April 7, 2005.
Petroleum, oil, lubricants	Site closed. Merged into Site 24 by letter dated January 17, 2001.
Asbestos	Site closed.
VOCs and TPH	Treatability study of plume area in operation; Focused FS report is being finalized.
NA	Site closed.
Petroleum, oil, lubricants, chlorinated solvents	Treatability study of plume area in operation; RI and Focused FS reports were submitted July 2008.
Lead shot, lead, PAHs	FS report is being prepared.
Lead	RI report is being finalized.
Lead	Interim RI report for Sites 8 and 29 is being finalized.
Dioxins, lead, copper	ROD is being prepared.
PAHs, TPH, lead, copper, DDT, dioxins	ROD is being prepared.
PCBs, TPH, dioxins, pesticides	RI report was submitted October 2008. FS to be prepared.
Dioxins, PCBs, metals	RI report is being prepared.
CONTAMINANTS OF CONCERN	STATUS
Petroleum, oil, lubricants	NFA concurrence letter received from Water Board dated December 17, 2003.
Petroleum fuels and waste, VOCs, SVOCs	Closure report requesting NFA submitted December 16, 2005. Water Board did not concur with request for NFA. Moved to CERCLA Program on September 18, 2003. Groundwater monitoring to be conducted under CERCLA Program.
Petroleum, oil, lubricants, VOCs	NFA concurrence letter received from Water Board dated July 18, 2005.
Petroleum, oil, lubricants	NFA concurrence letter received from Water Board dated September 2004.
Petroleum, oil, lubricants	NFA concurrence letter received from Water Board dated June 17, 2004.
Petroleum, oil, lubricants, VOCs	NFA concurrence letter received from Water Board dated June 17, 2004.
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Petroleum	NFA concurrence letters for selected pipelines sites received from Water Board on various dates; YF3 and USCG await completion of Caltrans activities.
Petroleum	Various NFA concurrence letters received; NFA concurrence requested for USTs at Sites 6 and 25; UST 238 on YBI awaits completion of Caltrans activities.

PA/SI	Preliminary assessment/site inspection
PCB	Polychlorinated biphenyls
RI	Remedial investigation
ROD	Record of decision
SVOC	Semivolatile organic compounds
TPH	Total petroleum hydrocarbons
UST	Underground storage tank
VOC	Volatile organic compounds
Water Board	Cal/EPA San Francisco Bay Regional Water Quality Control Board
YBI	Yerba Buena Island

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& COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND



MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

DRAFT Minutes of February Board Meeting
Treasure Island Development Authority
February 11, 2009

San Francisco City Hall
Room 400
San Francisco, CA

Gavin Newsom, Mayor

1. Call to Order

1:33 P.M.

Roll Call

Present

Owen Stephens, President
John Elberling, CFO, Secretary
Helen Nigg
John Rahaim

Excused

Jared Blumenfeld
Fred Blackwell
Douglas Shoemaker
Supervisor Chris Daly

GOVERNMENT
DOCUMENTS DEPT

MAR - 9 2009

SAN FRANCISCO
PUBLIC LIBRARY

2, Director's Report

Ms. Mirian Saez, Director of Island Operations, reported that burglaries decreased from 11 in December to two in January, attributable to the arrest of an Island juvenile. Copper miners, however, stole approximately \$13,000 for the residential area where the Navy remediation work is taking place and caused two power outages during the month. The new addressing system – required by 911 as a means to identify incoming calls from the Island – has been completed and will go into effect on May 5, 2009. The 54 affected residents have been informed.

The proposed playground will now have a new home: to the west of the Gaelic football fields and across the street from the former school which is now occupied the Boys & Girls Club. It will be dedicated to Susan Devico, a former resident and family advocate. Saturday, March 7th will be the Spring Clean-Up Day. TIDA will work in collaboration with Goodwill, Golden Gate Disposal and the Department of Environment. That day Good Neighbors and PUC will sponsor Project Porch Light, which will allow residents to exchange their light bulbs for more "Green," energy-efficient blubs.

San Francisco Airport Museum will host "Flying to the Fair: Aviation and the 1939-1940 Golden Gate International Exposition" in the International Terminal One. It is scheduled to run through the summer.

Three new subleases were signed in January. Revenues from them will total more than \$21,000 annually. Finally, Treasure Island was featured prominently in a January 30, 2009 story in *San Francisco Business Times*.

There was no public comment.

3. Report by Office of Economic & Workforce Development

Mr. Jack Sylvan reported the MOU approved by the TIDA Board in January between TIDA, the WETA and the SFMTA for the Treasure Island ferry terminal planning will go to the WETA Board in March. He reported progress working with Caltrans on the Yerba Buena Island ramps in terms of getting Caltrans on the same page and working with design consultants. This will necessitate an amendment to the MOU between TIDA and the Transportation Authority. There is not much to report with the Navy because the City is waiting for new people to be appointed to the Navy to re-initiate negotiations.

There was no public comment.

4. Communications

Communication items include: memo on power outage of January 12, 2009; John Stewart Co.'s December 2008 Percentage Rent Report; letter to the Navy requesting disposal of Navy vehicles; a letter of support to Glide Foundation; and two newsletters.

5. Report from the Treasure Island/Yerba Buena Island Citizen's Advisory Board

There was no report.

6. Ongoing Business by Directors

There was no ongoing business to report.

7. General Public Comment

Neal Patel of the San Francisco Bicycle Coalition reported that they would be publishing their recommendations for making TI/YBI bicycle and walker friendly. They will make a report to the Board in March.

8. Consent Agenda

There was no public comment on the items.

Director Rahaim motioned for approval.

The Consent Agenda pass unanimously.

9. Resolution Approving and Authorizing the Execution of a Sublease with Wine Valley, Inc., a California corporation doing business as TI Pies, for Parcel A: approximately 640 square feet of restaurant space located at Building 183; and Parcel B: approximately 2,500 square feet of land adjacent to Building 183, Treasure Island

Mr. Richard Rovetti provided a brief history of the Café from 1997 to the present. He detailed the RFQ process that led to the selection of Wine Valley, Inc. to provide the full-service

restaurant. Working with Best Beverages Corp., the restaurant theme will be pizza. Breakfast, lunch and dinner will be served daily between 10:00 am and 10:00 pm. Wine Valley will renovate building and be responsible for marketing, janitorial services and upkeep. Wine Valley at present is a Joint Venture partner with TIHDI and Toolworks and operates other Special Event venues on the Island.

Director Elberling asked about signage on the Causeway. Provision in sublease allows Wine Valley, Inc. to provide signage.

Public Comment: Ruth Gravanis spoke in support of the restaurant. She expressed hope that there would be some mention of its proximity to the 109 Muni bus line.

Director Rahaim motioned for approval.

The Item was moved unanimously.

10. 2009/2010 Budget Presentation

Ms. Mirian Saez presented the first look at the proposed budget. She stated that she was doing this a bit early in the cycle because of the budget difficulties of the City. Housing revenues are up due to low vacancy, commercial lease revenues are up, so TIDA anticipates a surplus at the end of the current fiscal year. There are also some line item expenditures that are lower than budgeted – YMCA, risk management and Golden Gate International Exposition. Expenditures exceeded budget with the demolition of Buildings 7 and 92, and the costs associated with the Pavilion will be more than planned as well. But Director Saez believes this fiscal year will end up with a surplus.

Next year the housing revenues will probably be lower due to the remediation. Ms. Saez also anticipates some loss of revenue from the SFFD which is also experiencing budget challenges. However, the losses will be offset by an anticipated increase in commercial leasing to \$1.5 million.

Director Saez reiterated her commitment to capital improvements and quality-of-life issues and said the TIDA Staff would be working on finalizing budget for presentation to the Board in the upcoming months.

There was no public comment.

11. Status of Navy Environmental Cleanup Program at former Naval Station Treasure Island.

James B. Sullivan, Navy BRAC Program Management Office West, gave an overview of the cleanup for Treasure Island, followed by a closer look at each area with its completion dates, and followed by a look at the Navy's community relations program. This is an updated version of the Navy's original presentation.

12. Discussion of Future Agenda Items by Directors.

There was no discussion.

13. Possible Closed Session

There was Closed Session.

14. Adjourn

The meeting was adjourned at 2:47 P.M.

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